

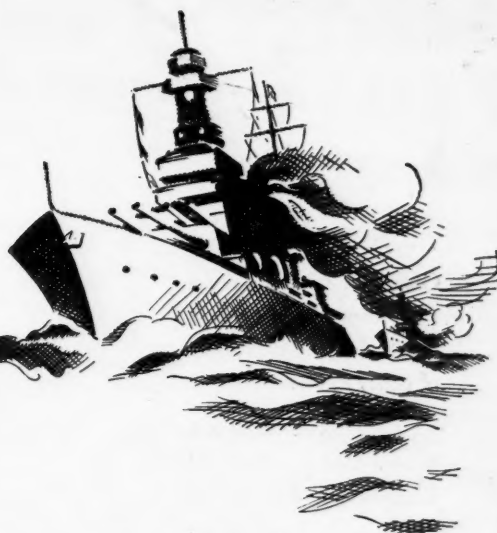
The NATIONAL UNDERWRITER

Life Insurance Education

Insurance Library

B40

Direction



★ Established life underwriters know the importance of direction in their careers. The course in planned salesmanship, conducted by the field-seasoned instructors of the Aetna Life Insurance School, is calculated to assist the Company's established salesmen as well as its new life insurance underwriters. Many have found that today's changed conditions require the charting of new courses. The School concentrates on up-to-date sales plans that are an effective aid in achieving direction toward the success goal.



The next five-week session begins on October 20, 1941

Write to the AETNA LIFE INSURANCE SCHOOL • HARTFORD, CONNECTICUT for booklet

FRIDAY, SEPTEMBER 12, 1941

QUIZ AD No. 2

QUERY: What life insurance company offers its agents the greatest variety of policy forms?

COMMENT: We do not know. But Continental Assurance has 58 forms for adults...plus 2 joint life... plus 6 juvenile... plus 12 family security and agreement forms... plus annuities... plus group... and a \$10.00 disability income provision is available on many of the company forms.

Continental

ASSURANCE COMPANY

CHICAGO, ILLINOIS

Affiliated with

CONTINENTAL CASUALTY COMPANY
TRANSPORTATION INSURANCE COMPANY



"Folks want to hear about PERFECT PROTECTION"

Perfect Protection is within the price range of every insurance buyer. It's easy to sell, because it offers a truly balanced insurance program. It's profitable to sell, because it protects the agent against many policy lapses brought about by sickness or accident. Perfect Protection, originated in 1913 by Reliance, in 1941 is Streamlined to the needs of today. Write for new booklet giving further details of Streamlined Perfect Protection.



RELIANCE LIFE

INSURANCE COMPANY OF PITTSBURGH

Dept. 119 Farmers Bank Building, Pittsburgh, Pa.

OPPORTUNITY

MEN SEEKING A LIBERAL AGENCY
CONNECTION OFFERING UNLIMITED
OPPORTUNITY☆☆☆ WRITE TO
Commonwealth Life



All letters and interviews will be held strictly confidential.

COMMONWEALTH LIFE'S accelerated Extension Program offers attractive incomes and agency possibilities to men who desire unrestrained selling freedom. Commonwealth Life ranks among America's best rated companies. It offers policies to meet every contingency, from birth to the age of 70. Make an appointment by return mail. Our Field Representative will meet you in your city. Address your letter to

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MORTON BOYD ★ PRESIDENT

Commonwealth Life

INSURANCE COMPANY

HOME OFFICE ★ LOUISVILLE, KENTUCKY

The NATIONAL UNDERWRITER

Forty-fifth Year—No. 37

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, SEPTEMBER 12, 1941

\$3.00 Year, 15 Cents a Copy

Research Bureau Reports on Pension Plan Study

Committee Favors General Adoption of Program for Agents

The Sales Research Bureau's committee on agents' compensation has issued a report based on its study of the pension problem. The committee favors the general adoption of pension plans for agents "to the extent that this is financially and legally possible," and much of the report is devoted to a discussion of the various questions that arise in constructing a pension plan for agents. In the appendix will be found information in the form of brief descriptions of existing plans, a number of statistical illustrations that reveal the manner in which various types of plans operate in practice, and a digest of state laws concerning pensions.

The introduction reviews the broad problem of agents' compensation with which the committee has been concerned, and points out that the present report deals with the second of the following series of subordinate problems:

1. The compensation of the established agent.
2. The pensioning of the agent in his old age.
3. The compensation of the new agent during his first few years under contract.
4. Coordination with general agency and branch manager compensation.

To Study Two More Phases

The first report of the committee was given at the meeting of the Research Bureau Oct. 29, 1940, and dealt with the compensation of the established agent. Recently a supplement to this original report was released. Study of the two remaining problems has begun, and will be the subject of further reports.

"Efficient operation demands that the individual elements of the total compensation plan shall together form an integrated unit," the committee states. "Furthermore, the plan as a whole must fit smoothly into company operation and effectively add its weight toward accomplishment of individual company aims. A good compensation plan, properly geared to stimulate the best agency service, will be augmented by a carefully planned pension plan closely related to the compensation plan. On the other hand, it is impossible to remove the weaknesses in a poor compensation plan by associating it with a pension plan, however carefully the latter may be constructed to bring about the correction. Thus, before applying any committee's suggestion or idea in a particular company, it is im-

(CONTINUED ON PAGE 14)

Many Company Affairs for Cincinnati Rally Arranged

CINCINNATI—An extensive schedule of activities has been arranged by many companies in connection with the annual convention here of the National Association of Life Underwriters. Educational meetings, conferences, receptions and dinners have been planned and many home office representatives are expected to attend. Arrangements made so far by companies represented in Cincinnati, with the name of the Cincinnati general agent, function, hotel, and date, home office representatives expected, and approximate minimum attendance, are presented below.

The schedule is not complete, and in some cases the arrangements are tentative, but most of the major company functions are covered. In a few cases, conflicting company conventions were arranged prior to announcement of the national convention dates, and it was not feasible to make a change in the schedule. The list is:

List of Functions Planned

Aetna Life—Reception and dinner Sept. 17, Netherland Plaza: S. T. Whatley, vice-president; R. B. Coolidge, superintendent of agencies; C. V. Pickering, advertising manager; W. T. Craig, general agent. Attendance 125.

Canada Life—Informal arrangements. J. Gerald Heathcote, branch manager, will be host to T. H. Gooch, assistant superintendent, and Graham Walter, supervisor field service.

Connecticut Mutual—Reception and dinner Sept. 17, Racquet & Town Clubs, Hotel Sinton: James L. Loomis, president; P. M. Fraser, vice-president; V. B. Coffin, vice-president and superintendent of agencies; William Camp, Jr., editor "Conn-Mu-Topics"; E. C. Andersen, educational director. W. T. Earls, general agent. Attendance 150.

Equitable Society—Reception and dinner Sept. 17, Roof Garden Hotel Gibson: W. J. Graham, vice president; A. B. Dalager, second vice-president; H. T. Wright, president National Association of Life Underwriters. G. J. Woodward, agency manager. Attendance 300.

* * *

Equitable Life, Ia.—Conference and luncheon 10:30 Sept. 15, Roof Garden Hotel Gibson, dinner Sept. 17, Hotel Gibson. R. E. Fuller, superintendent of agencies; Emerson Cooper, assistant superintendent of agencies; Earl Smith, educational director; A. Scott Anderson, manager service section. J. B. Moorman, general agent. Attendance 100.

Fidelity Mutual—Reception and dinner Sept. 17, Netherland Plaza: F. H. Sykes, vice-president and manager of agencies; Calvin Pontius and L. J. Doolin, assistant managers of agencies. L. B. Perin, assistant manager.

Berkshire Life—Reception and dinner Sept. 17, Hotel Gibson: H. L. Amber, vice-president; L. B. Hendershot, agency manager. W. C. Doll, general agent.

Guardian Life, N. Y.—Reception and dinner Sept. 17, Hotel Gibson: J. A. McLain, president; F. F. Weidenborner, agency vice-president; George

Mendes, assistant superintendent of agencies. W. C. Wilson, associate manager. Attendance 60.

* * *

Home Life, N. Y.—Informal arrangements: Leigh Cruess, underwriting vice-president; C. C. Fulton, Jr., vice-president; W. P. Worthington, vice-president and superintendent of agencies; E. C. Kelly, superintendent of agencies; J. W. Evans, assistant superintendent of agencies. W. A. R. Bruehl and W. A. R. Bruehl, Jr., managers.

John Hancock—Luncheon Sept. 17, Della Robbia room, Hotel Gibson; Paul F. Clark, vice-president; J. H. Wood, second vice-president and manager of general agencies. George Vinsonhaler, general agent. Attendance 100.

Lincoln National—Luncheon Sept. 17, Netherland Plaza: A. J. McAndless, president; A. L. Dern, vice-president and director of agencies; C. F. Cross, second vice-president and agency manager. B. F. Heald, general agent.

Massachusetts Mutual—Executive committee meeting general agents' association morning Sept. 15, general agents meeting afternoon Sept. 15. Reception and dinner Sept. 17, all functions at Hotel Gibson: B. J. Perry, president; J. C. Behan and C. O. Fischer, vice-presidents. I. B. Jackson, general agent. Attendance 150.

* * *

Mutual Benefit—Reception and dinner Sept. 17, Queen City Club: H. G. Kenagy, superintendent of agencies; B. C. Thurman, assistant superintendent of agencies. J. S. Drewry, general agent. Attendance 75.

Mutual Life, N. Y.—Reception and dinner Sept. 17, Netherland Plaza: L. W. Douglas, president; G. A. Patton vice-president and manager of agencies; Alexander E. Patterson, vice-president; J. R. Hull and E. J. Satten, assistant superintendents of agencies; Roger Borland, head monthly premium budget department. C. J. McCoy, manager. Attendance 200.

(CONTINUED ON PAGE 12D)

National Gathering to Be Covered in Dailies

Three special daily issues of The National Underwriter will be published next week in Cincinnati covering the annual convention of the National Association of Life Underwriters. Copies will be sent to all subscribers in addition to the regular issue. Inasmuch as the convention is a colorful affair and there will be many outstanding talks, managers and general agents will wish to provide their agents with copies of the dailies. The three dailies cost 50 cents a set and orders should be placed promptly so that the copies can be mailed direct from convention headquarters in Cincinnati.

Contests for N.A.L.U. Offices Draw Near Close

Secretary Race in Spotlight—Nine Candidates for 7 Trustee Posts

On the eve of the convention of the National Association of Life Underwriters in Cincinnati next week, interest is keen in the contest for national secretary and for the seven positions on the board of trustees to be filled.

The spotlight is on the race for secretary, for the man who is elected will doubtless be advanced to vice-president in 1942 and to president in 1943. In other words the convention will really be electing a president at this time. It is certain that John A. Witherspoon, John Hancock, Nashville, will be elected president and that Grant Taggart, California-Western States Life, Cowley, Wyo., will be the new vice-president.

The race for secretary is between W. H. Andrews, general agent for Jefferson Standard Life at Greensboro, N. C., and Herbert A. Hedges, general agent for Equitable Life of Iowa at Kansas City. Strong, well organized campaigns have been conducted on behalf of both of these leaders and at this time even the most seasoned of the political wiseacres don't care to hazard a guess as to the outcome.

Terms of Six Expire

The terms of six national trustees expire at this time. Four of that number have publicly announced that they are not to be considered for reelection, they being O. D. Douglas, Lincoln National Life, San Antonio; Isadore Samuels, New England Mutual, Denver; W. M. Duff, Equitable Society, Pittsburgh, and Ray Hodges, Ohio National Life, Cincinnati. There has been no statement made as to the position of the other two—Paul C. Sanborn, Connecticut Mutual, Boston, and Earl Colborn, Connecticut Mutual, Rochester, N. Y.

Both Mr. Hedges and Mr. Andrews are national trustees and each has a year left on his two year term. Hence, there will be an unexpired term of one year to fill no matter which one of the two is elected secretary. That means that there will be six elected to two year terms on the board and one to a one year term. The nominating committee may bring in not fewer than seven and not more than nine names. Then the members of the national council will write down six names. The six candidates that receive the highest votes will be elected to the two year terms and the seventh highest will get the one year term.

There are nine avowed candidates for trustee, they being:

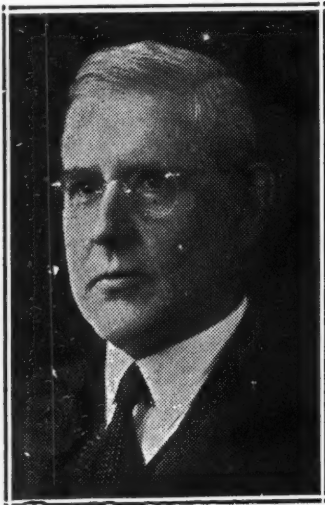
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Brigham Deflates Inflation Specter at Agents Parley

National Life President Makes Convincing Presentation of Subject

By R. B. MITCHELL

VIRGINIA BEACH—President E. S. Brigham did a convincing job of deflating the inflation specter in his talk at the Leaders Club convention of National Life of Vermont, marshaling facts and figures to show that while on the basis of the past century and a half some up-



E. S. BRIGHAM

ward fluctuations in price levels may be expected in war periods such as is ahead there is no reason to believe that prices, by and large, will exceed the 1926 norm for more than short stretches.

Saying that a 10 percent fluctuation would not seriously affect the purchasing power of the dollar he pointed out that in the 144 years since the organization of the government of the United States there were only 11 years in which the price level exceeded the 1926 index by more than 10 percent, while for the great majority of the 144 years the dollar would purchase much more than in 1926.

Convention of Elite

The convention was a new departure for the company. Hitherto it has held conventions every two years combining the Leaders, or \$200,000 Club and the \$100,000 Club meetings, as in Chicago last year and in Colorado Springs next year. This year's meeting is for the \$200,000 men only and is undoubtedly in great measure responsible for there being 72 making the \$200,000 requirement as against 33 last year. There would have been half a dozen more qualifiers this year had it not been for men who went into the army. One of these, Capt. Price Ripley of the Roanoke agency, was able to be on hand anyway, coming over from nearby Fortress Monroe.

In his comments on inflation Mr. Brigham noted the connection between war and lowered purchasing power of the dollar. Production capacity of consumer goods is curtailed, while large sections of the public have more money to spend. Higher prices cannot result in sufficiently increased production to

(CONTINUED ON PAGE 14)

Over 800 Expected at A. L. C. Gathering

Legal Section Program Is Announced—Session Schedule Is Given

Over 800 are expected to attend the annual meeting of the American Life Convention and the sessions of its Legal, Financial, Industrial and Agency Sections to be held Oct. 6-9, at the Edgewater Beach Hotel in Chicago.

In view of the present international situation and the importance of life insurance in the defense program, the gathering takes on added importance this year. The sessions constitute an open forum for the free discussion of all matters of interest affecting the welfare of the life insurance industry, its policyholders, companies and agents, etc., as well as the general public.

A. J. McAndless, president Lincoln National Life, chairman program committee for the main session, is expected to announce the complete details for its sessions in the near future.

Legal Program Outlined

E. A. Roberts, vice-president and general counsel Minnesota Mutual Life, as chairman of the Legal Section, has announced the tentative program for its sessions on Oct. 6-7.

The gathering will open with the address of Mr. Roberts, followed by the greetings of the American Life Convention extended by President Julian Price, president Jefferson Standard Life; and Col. Charles B. Robbins, manager and general counsel.

Maurice E. Benson, assistant counsel American Life Convention, will present his "Review of Recent Decisions."

A talk on "Incontestable Statute in Relation to Age Adjustment Clauses," by Walter Schmitt, general counsel Ohio National Life, will close the first morning session.

At noon there will be a luncheon with Ferre Watkins, attorney for the Illinois insurance department's liquidation division, as speaker.

At the afternoon session Chairman Roberts will appoint the nominating committee to select nominees for chairman and secretary. The latter position is now filled by Joseph O'Meara, Jr., counsel Western & Southern Life.

Leavey and Nash to Talk

"Community Property Laws" will be covered by H. H. Leavey, office attorney California-Western States Life. Frederick H. Nash, vice-president and general counsel Columbian National Life, will speak on: "Is the Cash Surrender of a Life Policy Subject to Disfranchisement for Federal Taxes Due from Insured?"

At the morning session on Oct. 7 E. R. Morrison, general counsel National Fidelity Life, will review "Unemployment Compensation Laws and Status of Insurance Agents." Ralph H. Kastner, associate counsel American Life Convention, will present his annual "Review of Legislation and Departmental Action."

The business session will follow including reports of the committee on memorial resolutions and the nominating committee. The election will bring the business session to a close.

Financial Section Plans

The Financial Section opens its annual meeting with a luncheon on Oct. 6 and will also meet the morning and afternoon of Oct. 7, with another luncheon at noon on that date. Charles F. Nettleship, Jr., secretary Colonial Life, section chairman, will preside.

B. L. DeWitt, assistant secretary and assistant treasurer Peninsular Life, chairman Industrial Section, will soon announce the program for its sessions on the morning and afternoon of Oct. 7.

The Agency Section, of which Frank F. Weidenborner, agency vice-president Guardian Life, is chairman, will hold its

20 Speakers at Agency Officers, Bureau Meeting

Preliminary plans for the joint annual meeting of the Association of Life Agency Officers and Sales Research Bureau Nov. 3-5 at the Royal York Hotel in Toronto are announced. This will be the first time in the history of these organizations that they have departed from the tradition of holding their annual gathering in Chicago.

The theme of the meeting will be "Better Man Power—The No. 1 Priority of Management." Many of the talks will emphasize the need for better management in agency operations both in the home office and in the field. What companies and agency departments are doing and propose to do to increase the effectiveness of agency management and to improve the quality of life insurance service will receive the attention of most of the speakers.

The two bureau committees on compensation and persistent business will meet at Toronto for business sessions and will also give their official reports. A subject which will have a prominent part on the program is the effect of national defense activities on agency affairs. Since the meeting is to be held in Canada discussions of this subject will be stimulated and will provide an excellent opportunity for agency executives from the United States to secure the views of Canadian company officers who have had first hand experience in conducting agency matters under war-time conditions.

More than 20 speakers will have places on the program including 15 agency officers, two presidents, two outside speakers, and one government official.

The first session, Monday afternoon, Nov. 3, will be in charge of the chairman of the bureau's board of directors, W. S. Penny, director of agencies of Sun Life of Canada. Both sessions on Tuesday will be headed by the chairman of the bureau's executive committee, Vincent B. Coffin, vice-president and superintendent of agencies of Connecticut Mutual. The final session on Wednesday, will have as chairman F. H. Haviland, chairman of the Agency Officers executive committee, and vice-president of Connecticut General.

Issue Arises Over Senator Brooks Appearance

Paul Kemp, Lincoln National, Cincinnati, was quoted in the Cincinnati "Enquirer" the other day as protesting against Senator Brooks of Illinois being on the Cincinnati program of the National Association of Life Underwriters. Mr. Kemp argued that Senator Brooks is so antagonistic to the administration's foreign policy that to permit him to speak automatically implies agreement with his views.

Ray Hodges, Ohio National, local chairman of the convention, was quoted as saying that the speakers cannot be men who have no views at all. He stated that Senator Brooks has made a number of talks before insurance groups and has steered clear of controversial subjects. He said that on the program there are strong administration supporters including Tom Collins, Kansas City columnist, and Dr. Hu Shih, Chinese ambassador to this country.

Mr. Kemp is an agent for Lincoln National Life.

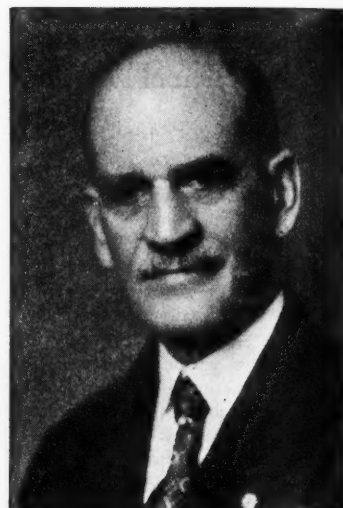
annual meeting on the morning of Oct. 8. The convention proper opens at 2:00 p. m. Oct. 8. The executive session and election will be held that night. Business sessions will continue through the morning and afternoon of Oct. 9 with a dinner dance in the evening.

In view of the advance interest manifested early reservations are advisable, it is stated.

Provident L. & A. Conventioneers Celebrate Gains

In Force, Lapse Rate, Policy Size and Recruiting Improve

Noteworthy gains during the first eight months of the year were highlighted by officials of the Provident Life & Accident when the largest number of field representatives ever to qualify for a life department convention gathered at Lookout Mountain, near Chat-



R. A. MACLELLAN

tanooga. Eleven states were represented.

Among the gains reported was that of insurance in force, increasing since August, 1940, from \$142,045,502 to \$163,796,551, a gain of \$21,751,049. This represented an increase of more than \$1,700,000 during each month.

President Extends Greetings

President Robert J. MacLellan welcomed the guests at the opening banquet, with greetings being likewise extended by W. C. Cartinhour, vice-president and secretary, and by Justice Alexander W. Chambliss, vice-president, who is on the Tennessee supreme court. Robert L. MacLellan, vice-president and head of the life department, presided as toastmaster.

Tom Collins, columnist and after-dinner humorist, delighted his audience with a discussion of "Successful Worrying," pointing out that while foolish worry does not pay, the other type of worry which causes one to bring about a correction of the situation, can be very valuable.

Club Leaders Honored

Sam E. Miles, life agency manager, presented trophies to the two club leaders. W. G. Perkins of West Virginia received the cup as president of the Century club, the paid-for volume leader, with a total of more than \$600,000. H. Grice Hunt of South Carolina received the trophy as conservation leader, with a persistency rate of 96.5 percent.

At the first business session Mr. Cartinhour stressed the financial position of the company, outlining the conservative investment policies pursued over the years.

Progress highlights brought out by
(CONTINUED ON PAGE 11)

John Hancock Nears Five Billion Mark, Guy W. Cox Reports

Nearly 1,000 District Leaders Attend Annual Gathering at Swampscott

SWAMPSCOTT, MASS.—The \$5,000,000,000 mark in insurance in force will be reached by John Hancock Mutual Life before the end of the year, according to figures presented by President Guy W. Cox to the first national leaders' convention for the district organization here, attended by 986 qualifiers.

President Cox also announced that the John Hancock has increased its industrial insurance production in the first eight months by 14.8 percent.

The formation of the John Hancock Guard, a service organization for district field men, with degrees based upon length of service, was announced by President Cox.

"Unity of purpose and action through closer relationship between the home office and the field is the key to permanency of field organization and security of employment in the field," Mr. Cox declared.

Predicts Further Increases

Discussing the outlook for industrial insurance, President Cox ended on a note of optimism. "Increase in wages has always meant more money for life insurance and the present situation will prove no exception to this rule. So far as the immediate future is concerned, our agents can expect these wage increases to be reflected in increases in their business."

During the convention year total production of the districts was \$546,000,000, an average production per agent of \$93,000. Average production per day, including all forms of insurance was \$1,866,000, a new peak in volume of production for any 12 months, announced Paul F. Clark, vice-president.

Marked Increases Shown

For the first eight months John Hancock district agencies showed an increase of \$20,000,000 in combined ordinary production over that for the same period a year ago, while gross industrial increase in the first eight months almost tripled.

Mr. Clark pointed out that while combined ordinary production had more than doubled the 1938 figure and industrial increase was 10 times the amount of increase recorded in 1938, the number of district agents has declined by 488 men, while their average weekly compensation shows an increase of \$8 per man.

"Our greatest progress during the last three years," Mr. Clark pointed out, "has been the development of our ordinary business and in 1941, more particularly, the monthly debit ordinary, which now stands at almost \$1,000,000."

Will Write More Ordinary

Mr. Clark, in predicting that the weekly premium agent will continue to write more ordinary insurance observed: "He will grow in stature to meet this new responsibility and challenge, but he will be a bigger man and the result of his development will mean greatly increased compensation as he grows to his new capacities."

"Such development does not mean more footwork, but rather more care-

(CONTINUED ON PAGE 10)

Record Attendance at N.A.L.U. Meet in Cincinnati Seen

CINCINNATI—Attendance at the N.A.L.U. convention promises to break all records with an advance registration of well over 2,000 at the present time, according to C. V. Anderson, who is in charge of advance registration. Hotels are practically booked to capacity. Max Hoffman, executive secretary of the National association, has been in Cincinnati the past week checking final arrangements. Mr. Anderson, who is a past president of the National association, has been awarded registration card No. 1, according to J. C. Sebastian, Union Central, registration chairman.

The program for the National association convention has just come from the press. It is attractively printed in red, white and blue, and contains numerous pictures of the officers and trustees, convention committee chairmen and speakers, with thumbnail sketches of the latter. It bears a message from T. M. Riehle, Equitable Society, New York, national program chairman; a welcome from W. C. Wilson, Guardian Life, president Cincinnati Life Underwriters Association; J. C. Benson, Union Central, Cincinnati, president of the Ohio Association of Life Underwriters, and Ray Hodges, Ohio National, Cincinnati, chairman Cincinnati convention committee.

Registration headquarters are on the Florentine room, mezzanine of Hotel Gibson.

At a get-together meeting preceding the National convention, the various convention committee chairmen of the Cincinnati association were introduced by Ray Hodges, Ohio National, general chairman, each outlining the committee plans. President W. C. Wilson, Guardian Life, presented the National associ-

Program Set for Selection Men

Institute of Home Office Underwriters Meets Sept. 25-27 in Chicago

The complete program has been announced for the fifth annual meeting of the Institute of Home Office Underwriters at the Edgewater Beach Hotel, Chicago, Sept. 25-27.

The Thursday morning session, under the chairmanship of Chester F. Barney, American United, will have the annual reports of President Walter K. Fritz, Lamar Life; Secretary-treasurer Walter B. Lehmkuhl, American Reserve Life, and the reports of committees on

(CONTINUED ON PAGE 24)

ation's past president's certificate to L. B. Scheuer, State Mutual, retiring president.

The following members of the Cincinnati association were present at the last convention of the National association held here in 1914 during the presidency of the late John L. Shuff, Union Central: C. V. Anderson, S. P. Ellis, Provident Mutual; Edward Bernard, Lincoln National; W. A. R. Bruehl, Sr., W. A. R. Bruehl, Jr., Home Life; Miss Minna Carstens, Mutual Life; Frank Crawford, Henry Dickens, Harrison Mulford, C. J. Stern, Union Central; L. B. Dierkes, New York Life; J. S. Drewry, Harvey Shepard, Mutual Benefit; Ralph Holterhoff, State Mutual; H. W. Hutchins, National Life, Vt.; C. J. Iredell, J. W. Mackelfresh, L. B. Simrall, Penn Mutual; E. W. Young, Equitable Society; Dr. J. W. Kirgan, Fidelity Mutual; A. F. Sommer, Metropolitan; Abner Thorp, Diamond Life Bulletins; W. C. Wilson, Guardian Life.

President Wilde in Outspoken Talk at Company Convention

Connecticut General Chief Scores Wheeler, Lindbergh and Isolationists

By C. M. CARTWRIGHT

GREEN LAKE, WIS.—President F. B. Wilde of Connecticut General Life at its convention here did not mince words in his criticism of such isolationists as Senator Wheeler, Col. Lindbergh and others who he stated are really giving comfort to Germany and Japan. People are deeply concerned these days concerning the war; practically a new form of government here; class being incited against class, all seeking narrow advantages, religious and racial intolerance, high taxes, confused talk about inflation, overthrow of established principles. He said, however, the human race has changed but little in its fundamentals. Even with all this chaos, he declared, that those who do and think right will reach higher goals.

The United States, he said, has a vital problem to solve. Mr. Wilde spoke as a New England Republican, who was able to produce 32 different and sound reasons why President Roosevelt should not be reelected. But he was chosen again and he now has before him tremendous responsibilities. He condemned as cruel the statement of those who contend the President desires to get the U. S. into war. No conscientious, right thinking man, he asserted, wants war.

Gone Back to Savagery

Speaking further he said: "We have stepped back to the day when autocratic, designing rulers were perfectly willing to sacrifice people to gain their ends. There was no limit to their ambition. We are not now dealing with a normal war or sane psychology. We can not vote war or peace unless we are willing to pay the price to defend our rights. We have not met the situation realistically. France and other subjected nations did not. Aggressors will decide the issue unless other peoples match their power. The U. S. can be invaded and we can lose our liberties. It may be debatable whether our vital centers can be bombed. I think they can be, especially with the aid of fifth columnists who are among us. We must keep up our defense work even when peace is declared. We should be in a situation to eliminate ruthless gangsters and the means of doing such should be left to our President and his advisers. If the time comes for us to go into a shooting war, we should not hesitate. Wheeler and Lindbergh hinder defense. We should accept loyally the best judgment our government reaches. Those in authority will do their best to protect our future."

Should Improve Production

Speaking of life insurance President Wilde said continuous effort should be made to improve the production of every man. The company, he advised, is seeking only those agents whose ambition requires living demands above mere subsistence. It is necessary to have more cases. Those who have not reached this level do not measure their potentialities. We should overcome mental handicaps. He said further:

"The status of life insurance has not been altered. Buying power is now higher than ever. We should present

(CONTINUED ON PAGE 12)

The Sharecropper's Family

A Carolina farmer, aged 27, back in 1913 bought a 20 Payment Life of \$1,000, to protect a young daughter. After paying premiums for 13 years he had to permit the insurance to lapse. In 1940 the daughter wrote to the company to inquire if there were any possibility of payment despite the lapse. The father had died in 1936 and the mother was in need. There was an extension value of \$802, and the underwriter traveled 75 miles to settle the claim.

He found the sharecropper's family without any idea of what to do, and he took the widow 18 miles to town to look up the clerk of the court and have the widow appointed executrix. She signed her X, and they went on to secure a bond and to see the doctor and the undertaker about their bills. Hours passed explaining to the family, to county officials, to the creditors, so as to settle the estate. The widow said she'd "rather work for the money than stand around that courthouse on that hard floor."

Writes the daughter, "I have been wanting to tell you and your company how much we thank you. I am sure glad the bills are to be paid, for I feel like that is the last thing I can do for my father. If it hadn't been for you all, I don't know when we could have paid them. You all just don't know how glad we all are."

THE PENN MUTUAL LIFE INSURANCE CO.

WILLIAM H. KINGSLEY
Chairman of the Board

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

Claim Group Has Annual Rally in Atlantic City

Louis Johnson Gives
Stirring Address—P. J.
O'Connor Presiding Officer

NEW OFFICERS ELECTED

President—Godfrey M. Day, Connecticut General.
Vice-president—Clark Butterfield, National Casualty.
Secretary—Louis L. Graham, Business Men's Assurance.
Treasurer—F. L. Templeman, Maryland Casualty.
Executive committee—Willard Hein, State Mutual, chairman; P. J. O'Connor, General American Life, and R. D. Taylor, Sun Life of Canada.

ATLANTIC CITY—Willard E. Hein, State Mutual Life, chairman of the executive committee, called the annual meeting of the International Claim Association to order here Monday morning. Mr. Hein presented a handsome gavel to Vice-president P. J. O'Connor, General American Life, with which to preside over the meeting.

At a formal meeting of the executive committee on Sunday night Secretary Louis L. Graham presented to M. Barratt Walker, U. S. F. & G., who was president of the association in 1914-1915, an engraved card extending a life time invitation to attend all future meetings. This card is issued only to retired claim men of member companies who have attended five or more meetings. A similar card will be sent to former president William A. Dennis, Prudential, who was unable to be present at this meeting.

In his address as presiding officer Mr. O'Connor stated that "the task of insurance claim men is more serious and involved than ever before, due to the chaos and destruction throughout the world." He further stated that "we are not only concerned with the validity of claims and promptness of payment, but we also have an international situation that has closed avenues of information, thus creating problems for both the present and future as to identification of deceased policyholders and their beneficiaries residing in foreign countries."

Berkeley Cox, associate counsel Aetna Life, read an interesting paper on "Claim Settlements in Community Property States." He explained the practices and precautions in the settlement of life, accident and health claims in the eight states which have community property statutes.

Basis of the legal philosophy is the tenet that earnings of a husband and wife during marriage and all property acquired with such earnings belong to them both, Mr. Cox said. But complications immediately arise because each may have non-community property. He said that insurance premiums, being customarily payable out of joint income, place an insurance policy in the position of a joint asset.

Legal complications arise when proceeds are to be paid to someone other than husband or wife, Mr. Cox said. Sometimes releases are secured from the wife to designation of some third beneficiary to a policy procured by the husband. He said the more frequent practice was to have the release signed at the time of settlement. Many variations of the practice were discussed and reasons given for their adoption.

The laws apply in Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas and Washington, and are derived

Sharp Reduction in Unemployment Is Seen

MADISON, WIS.—A good sign that more people are at work and their purchasing power is improved is seen in the records of the bureau that has charge of unemployment compensation. Until recently here in Wisconsin there have been 7,000 claims a week. Now there are 6,000 and still running down. Some employees in the bureau fear they will lose their jobs for want of work.

largely from French and Spanish legal philosophies. A special situation holds for Oklahoma where a recent statute permits filing of written consent to community property status with the state authorities.

John W. Fischbach, Minnesota Mutual Life, read the report of the legal committee, of which he was the chairman. This consisted of a study of reinstatement.

Reporting as chairman of the essay contest committee, J. Edwin Dowling presented checks to the winners in the life and accident and health sections.

Col. Louis Johnson, former assistant secretary of war, gave a spirited address on "America at the Cross Roads." America must decide whether it is with the countries prepared to abolish family life or whether it is with those countries continuing their belief in the family and family justice, he said.

"We want to discharge our valid liabilities immediately they are determined, but irregular or improper demands require us to develop every possible source of information," P. J. O'Connor, assistant secretary General American Life, and vice-president of the association, told members. Mr. O'Connor became ranking officer upon the recent death of C. E. Anstett.

Mr. O'Connor suggested that in irregular cases involving double indemnity or disappearance companies should report them to some appropriate bureau which can relay notice to each interested company. Thus they may compare facts if they are not already exchanging correspondence. Often enough the claimant omits other insurance from claim blanks and a central clearing house would certainly be one way of extending the cooperative activities of the claim association, Mr. O'Connor said. This procedure might prove of particular advantage in the handling of claims within the contestable period.

Stresses Public Relations

Holgar J. Johnson, president Institute of Life Insurance, stressed the key position of claim men in the creation of a favorable public attitude toward insurance and made several specific recommendations with respect to the handling of claims. For instance, what is a technicality to the claimant may not appear so to the claim man, but if a claimant thinks it is, then to him it is a technicality, and an explanation is necessary. Claim men sometimes lose the advantage of a liberal settlement because of the manner in which it is made, especially if it comes after what seems to the claimant too much red tape. Such things as "clear titles," the reporting of a claim within the stated contract period, etc., need explanation.

The public's reaction to these things are not unjustified since they have been encouraged to expect unusual treatment in claims by glowing advertisements and enthusiastic selling.

Mr. Johnson emphasized the need for greater understanding by the agent as to the claim philosophy of his company. In the agent's training course he should be trained by the company to know what the procedures are, and, more important, what the guiding objectives are in the settlement of claims. Claim men should "sell" unusual settlements to the agent so that he knows why a claim man handled a specific case in a certain way.

Public relations work is essential for all those engaged in insurance. Insur-

Union Central Ballots Go Out

Vote on Mutualization
Is Being Taken—Meeting
Oct. 24

COLUMBUS—Union Central policyholders have received a ballot and proxy by mail from the Ohio department on which to indicate their wishes regarding the proposed mutualization of the company, a policyholders' meeting being scheduled for Oct. 24. Directors and stockholders have approved the plan and it also has received the approval of the Ohio department. Letters explaining the plan signed by Superintendent Lloyd and President W. H. Cox are enclosed with the ballot and proxy and also an explanation of the mutualization proposal is enclosed.

Mr. Cox's letter reads in part: "You have often heard the word 'mutual' applied to certain life insurance companies. This descriptive term simply means that those companies are wholly owned by their policyholders. The people who have insured their lives in those companies own all the assets and have power to elect the trustees."

"This mutual form of organization has worked very well for the policyholders of those companies that have adopted it. In years past, one after another of the large stock companies have bought up the shares of their stockholders and become mutualized."

"As a matter of fact, the 'stock company' aspect of Union Central has steadily diminished for many years. Since 1907 we have written nothing but 'participating' life insurance, the same as is written by all mutual companies. Today Union Central is the largest 'participating' company that has not yet been mutualized."

"Probably we, too, would have completely mutualized our corporate structure long since, but for the fact that the state of Ohio, from which Union Central holds its charter, had provided no adequate legal machinery for such a step until quite recently. However, on July 17, 1941, the necessary legislation became effective, and I feel sure you will agree that we should proceed as quickly as possible. A plan to mutualize the company has been adopted, and is presented for your approval with this letter."

"Essentially, the mutualization involves little more than retiring the interest of the stockholders, so that the company can henceforth belong wholly to you and the other policyholders. In the company's annual statement for 1940, you will find the usual liability item covering the face amount of the outstanding stock. In addition, the surplus item includes earnings from non-participating business amounting to \$849,791, which is more than sufficient to cover the small premium provided for under the plan. Therefore, not one penny of funds arising from participating business will be used for the purpose of retiring the stock."

ance is a big business and in these days size is questioned by some who classify it as being socially wrong. Insurance represents a large aggregate of money and some people assume that it automatically carries economic control, even though this is not a fact. Insurance men are simply trustees of these funds which belong to policyholders. While all these things are perfectly apparent to the insurance man, it becomes necessary to take the story of the business to the people in intimate and detailed fashion.

New Massachusetts Course

BOSTON—The Massachusetts state department of education announces it will conduct a course in life insurance fundamentals starting Oct. 24 with weekly classes on Friday evenings, conducted through the division of university extension.

National Guardian Convention Held in Its New Building

C. E. Roth, C. J. Zimmerman
and H. A. Hedges,
Guest Speakers, Make Hit

By C. M. CARTWRIGHT

MADISON, WIS.—The National Guardian Life agency convention was held in its brand new home office building, a chaste, dignified, well designed structure at the head of East Gilman street on the shore of Lake Mendota. It has a terrace facing this beautiful lake, its own pier runs out from the shore. Next door is the well kept lawn of the governor's mansion. The new building has a roof sprinkler system which tempers its heat; it has outside thermostat controls to shift the heat to the opposite side when it strikes a certain point. The building is air conditioned and sound-proof.

Vice-president Richard Boissard was chairman of the building committee that successfully designed a structure to comport with the fine texture of the company. It has a magnificent setting and an exquisite outlook from all sides. It has three stories with the basement and in addition there is the sub-basement with recreational and dining facilities. It might be said the building is democratic. It has no palatial private offices, no excessive ornamentation, no attempt at display. In fact it reveals the taste and character of its greatly beloved president, George A. Boissard. It is a work shop adapted to a company of its size.

Three Brilliant Stars

The first session, presided over by Franklin Van Sant, home office general agent who also has 12 other counties under his jurisdiction, was the most notable of all, starring three outstanding men—C. E. Roth, Denver, sales expert; C. J. Zimmerman, Chicago, general agent Connecticut Mutual and immediate past president National Life Underwriters Association, and H. A. Hedges, Kansas City, general agent Equitable of Iowa. A summary of their talks can be found on the "Methods Page."

Second Business Session

Don Clapp, agency secretary, had charge of the second business session, the first part being a question and answer stunt patterned after the radio program, "Double or Nothing." It dealt only with queries relating to company practice. Archie Hurst, Eau Claire manager, and Actuary Dirk Heezen were judges.

Mr. Heezen was the first speaker who told about the term policy for protection and the endowment for investment, all others being built out of these two forms. An agent seeks to know what are the protection and retirement needs of a prospect and then selects the contract best fitted for the case. He must take into consideration the prospect's pocketbook and it must be fitted into the program. Mr. Heezen said the term policy carries the qualified statement "If I die," but the others are certain "when I die."

He referred to the new policy "life paid up at 60" with a \$5,000 minimum. This is particularly suited to those who expect reduced income late in life and also successful farmers. He acknowledged that special policies are only

(CONTINUED ON PAGE 10)

Willis Smith Heads Lawyers Group

International Association of Insurance Counsel Meets at White Sulphur

NEW OFFICERS ELECTED

President—Willis Smith, Raleigh, N. C.
Vice-presidents—Allan E. Brosmith, Hartford; Franklin J. Marryott, Boston; Hal C. Thurman, Oklahoma City.
Secretary—Richard B. Montgomery, Jr., New Orleans.
Treasurer—Robert M. Noll, Marietta, O.
Executive committee—Patrick F. Burke, Philadelphia; Paul J. McGough, Minneapolis; Francis M. Holt, Jacksonville, and Oscar J. Brown, Syracuse, N. Y.

President Oscar J. Brown of Syracuse called the annual convention of the International Association of Insurance Counsel to order at White Sulphur Springs, W. Va. Clarence W. Meadows, attorney-general of West Virginia, made the address of welcome. Payne Karr of Seattle responded on behalf of the association.

The first speaker was John B. Martin of Philadelphia on "Litigation and the Soldiers & Sailors Relief Act." John L. Barton, Omaha, spoke on "Federal Rules of Civil Procedure and Their Applicability to Insurance Litigation."

Reporting as secretary of the association, Richard B. Montgomery, Jr., stated that the present membership is 1,391.

Treasurer Noll Reports

Robert M. Noll, Marietta, O., reported as treasurer.

F. B. Baylor, Lincoln, Neb., reported for the general legislative committee. Chairman Hugh D. Combs of Baltimore reported as chairman of the home office counsel committee. The nominating committee was as follows: Chairman, P. E. Reeder, Kansas City; A. R. Christovich, New Orleans; R. W. Shackelford, Tampa; K. B. Cope, Canton, and W. C. Jansen, Hartford.

At the round-table discussion, Alvin R. Christovich, chairman of the committee on practice and procedure, presided. Rule 49 of the federal rules of civil procedure was the subject of the address by Wilbur E. Benoy.

John H. Hughes, Syracuse, led the discussion which followed. John A. Kluwin, Milwaukee, spoke on "Third Party Practice Procedure." The discussion was led by George Heneghan, St. Louis.

Effect of Divorce on Beneficiary

The next morning Paul J. McGough, Minneapolis, reported as chairman of the committee on life insurance. The subject was the effect of divorce where the wife was beneficiary of her husband's policy. Chairman Melvin M. Roberts, Cleveland, read the report of the committee on casualty insurance.

"Meeting Medical Proof" was the subject of a paper by Robert E. Dineen, Syracuse.

Clarence W. Heyl, Peoria, spoke on "The Trend of Decisions in Actions Between Husband and Wife for Personal Injury."

The report of the executive committee was read by Chairman Willis Smith, Raleigh. William O. Reeder, St. Louis, as chairman of the special committee to consider proposed changes in the setup of the association, recommended no changes.

John L. Barton, Omaha, reported as chairman of the committee on compulsory automobile insurance and financial responsibility legislation. The committee recommended that the members observe the operation of the New Hampshire and New York financial responsibility statutes and that the com-

mittee be continued. The session closed with the reading of a paper, "The Casualty Home Office Looks to Local Counsel for Better Public Relations," by Victor C. Gorton.

Compensation Committee

The concluding session opened with the report of the committee on workmen's compensation, Kenneth B. Cope, Canton, chairman.

Alvin R. Christovich, reporting as chairman of the committee on practice and procedure, stated that those attending the round-table meeting had voted to request the executive committee to schedule a similar meeting at the next annual gathering. The only paper was read by Lasher B. Gallagher, who spoke on "May an Insurance Company Rely on the Allegations of a Complaint Against One of Its Insured in Deciding Whether the Case Is One Within the Terms of the Policy."

Safety Committee Provided

On motion of Sol Weiss, New Orleans, a resolution was adopted for appointment of a special committee on safety, consisting of five members, to study and consider the subject of accident-prevention.

C. Wayland Brooks, U. S. senator from Illinois, made an address "Shall

Field for Prospects Seen in Buyers List

In order to show some prospect sources, Manager W. G. Gastil of Connecticut General at Los Angeles finds that 20 percent of new policies last year were issued to women, 10 percent to students and 21 percent to workers in industries.

America Move on to Her Destiny or Detour into the Old World and Meet Her Fate?"

A handsome gavel was presented to President Brown.

A strong delineation of "America at the Cross Roads" was given by Col. Louis A. Johnson, Clarksburg, W. Va., attorney and former assistant secretary of war. Mr. Johnson expressed the fear that the United States may, like Athens with its enemy, Philip of Macedon, wait too long to lead the forces of democracy against the forces of destruction.

Five copies of "Problems of the Smaller Estate" by Attorney G. B. Rogers cost \$1. Order from National Underwriter.

Tatlock, Wofford, Fisk Advanced by Prudential

NEWARK—Three important promotions in financial departments of Prudential are announced.

H. Woodruff Tatlock, formerly associate manager of the bond department, has been elected assistant treasurer.

George T. Wofford, Jr., who also was associate manager of the bond department, has been promoted to manager of that department, and Kerby H. Fisk becomes assistant manager.

Mr. Tatlock became associated with Prudential in 1927, and he was made associate manager in 1936.

Mr. Wofford has been connected with the company since his graduation from Princeton in 1929. He later received a degree from the New Jersey law school. He is a past president of the Newark Junior Chamber of Commerce, is a trustee of the Boys' Club and is on the board of the Robert Treat Council of the Boy Scouts of America.

Mr. Fisk, after graduation from Harvard in 1926, was associated with New York financial institutions before his appointment with Prudential last May.

Retired—Just Like the Men in the Advertisements

The qualified Lincoln National Life man now has the benefits of a Retirement plan. He contributes and the company contributes. He always receives back at least as much as he put into the plan, whether he retires,

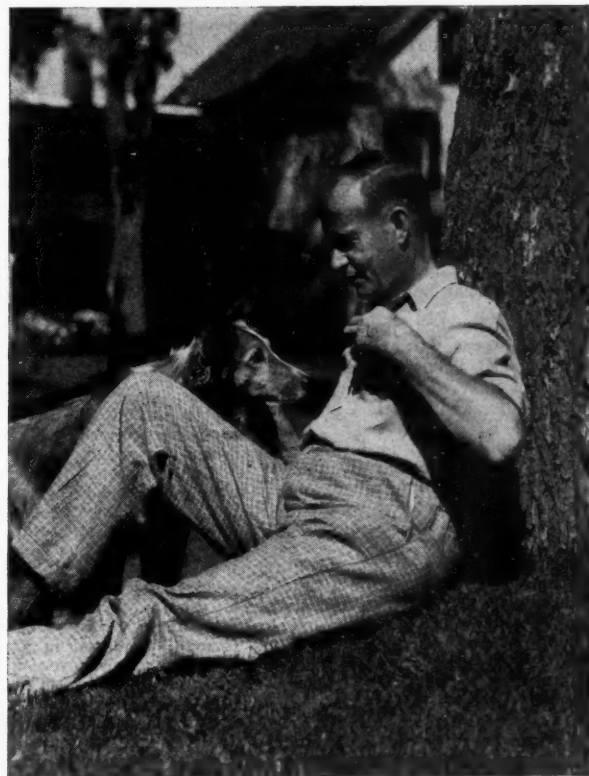
dies, or leaves the company. If he wishes, he may continue to write business and receive commissions after 65—his retirement age. Provisions of the plan make qualification easy for the regular producer.

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY

Fort Wayne

Indiana

Geared To Help Its Fieldmen



Series of Regionals Initiated at Rally in Portsmouth, N. H.

New England Mutual Agents Hold Panels on Timely Topics

New England Mutual Life held the first of six regional agents meetings at Wentworth-by-the-Sea, Portsmouth, N. H., about 150 attending from 10 general agencies in the New England states. Other meetings will be held this month and in October.

Business sessions were held for two days, with a company dinner the first night. Vice-president George L. Hunt discussed the company progress this year. Samuel S. Hall, Jr., financial secretary, took up financial trends. New sales plans were announced by Vice-president Walter Tebbetts, J. L. Stearns, actuary, and C. F. Collins, agency secretary. There was a panel discussion on prospecting methods led by W. W. House, Hartford general agent. The board of experts included W. S. Cobb, Jr., Curtis agency, Boston; L. S. Greenlaw, Portland agency; G. C. Henley, Providence; R. W. Partridge, Boston general agent; R. C. Peterson, Worcester; W. B. Robbins, Springfield general agent; K. V. Robinson, Hartford; H. G. Todd, Summers agency, Boston, and R. T. Willis, Manchester, N. H.

Sessions on Special Subjects

Questions of personal insurance were discussed the second morning, with talks on "Social Security—Springboard to Sales," by W. C. Gentry, Curtis agency, Boston, and "Career Underwriting," by H. R. Brewster, Providence. Another clinic took up business insurance, with R. J. Lawthers, manager benefit department, home office; M. G. Summers, Boston general agent, and E. L. Goodrich, Summers agency, as principal speakers.

The company's advertising program was discussed by D. W. Tibbott, director of advertising. "Current Aspects of Medical Selection" were covered by Dr. Harold M. Frost, medical director, and Albert H. Curtis, dean of New England general agents, spoke on "Heritage of a Hundred Years."

At the dinner, greetings were extended from directors by R. G. Dodge, a director who is chairman of trustees of Wellesley College and Northwestern University, and past-president Boston Bar Association. Vice-president Morris Capen told interesting facts about construction of the new home office building, soon to be completed.

Playlet Is a Feature

There was a playlet, "The 60 Days' Wonder," written, directed and acted by W. L. Wadsworth, supervisor Summers agency, and E. A. Hoffman, manager of that agency's Salem branch. This satirized the ups and downs of the life agent's job.

Mr. Summers, speaking on business insurance, stressed the importance of mastering the philosophy underlying business management, and developing the background and ability to discover all pertinent facts about the particular business and its important men. The future of every business enterprise is bound to be uncertain, he said, and the prospect must be brought to realize that the future of his business is like a roller-coaster, and should make pro-

(CONTINUED ON PAGE 12A)

Robt. O. Bickel's "Informat" Chart Well Received

The "Informat" a chart designed to elicit and record all possible items of information that would be necessary or helpful at the time of a client's death, got an enthusiastic reception when presented at one of the three concurrent seminars held at the National Life of Vermont's Leaders Club convention. It was explained and described by its originator, Robert O. Bickel of Cedar Rapids. The "informat" will shortly be placed on the market by The National Underwriter Company. It was thought so valuable that it was selected by the participants for presentation at the general session the next day.

Many ordered 100 copies each even though the selling price had not yet been determined.

The "Informat" proved an instant success because it fills a real need in such thorough fashion that every possible item of information that might be needed in connection with any phase of a decedent's affairs can be located either in the "Informat" pages or in a definite place specified in the "Informat." It is so designed that certain pages can be taken out and furnished to the local newspaper in getting up the obituary, thereby relieving the widow of a harrowing task.

Then there is all the information that the undertaker will need in making funeral arrangements and in filing necessary data with the authorities. Names of those desired to act as pallbearers are listed. For the use of executors and lawyers there are spaces for detailed information on all assets and liabilities. It insures settling the estate with a minimum of complications.

From a sales point of view the unanimous reaction was that the "Informat" would be both an excellent opening in approaching new prospects and a means of servicing existing clients. There was particular appreciation for the possibilities of maintaining contact with clients, since the information is such that it should be gone over periodically for needed revisions, at which times additional insurance could be suggested.

As for clients' and prospects' reactions, Mr. Bickel spent a week offering it to 105 clients and friends. Only two said they were not interested; four gave him definite call-back dates for consultation and 99 accepted the "Informat" service. Since the object is to have the information in a known location where it will be readily available, the "Informat" is placed in a sealed envelope and kept in a fireproof file in the agent's office. On the client's death the agent turns over the sealed envelope to the widow or other designee.

Mr. Bickel has been with National Life 13 years, was one of the first 36 C.L.U.'s in the country and averages better than half a million production.

Washington National Makes Three Promotions

Washington National has announced three promotions in the home office at Evanston, Ill. G. Preston Kendall has been promoted from agency secretary to the investment department. The son of President G. R. Kendall, he joined the company in 1931 upon graduation from the University of Illinois. He has attended the Life Officers Investment seminar at the University of Indiana.

Walter T. Weiss, manager of the policyholders' service department, becomes agency secretary. He joined the company in 1934 and prior to that served in the agency department of National Life of Iowa.

R. C. Neuhaus becomes manager of the policyholders' service department. Mr. Neuhaus, before joining Washington National several years ago was engaged in general merchandising and sales promotion work.

Los Angeles Puts in Bid for N.A.L.U. in 1943

LOS ANGELES—Charles E. Cleeton, Occidental Life, president of the Life Underwriters Association of Los Angeles, has left for Cincinnati, O., to represent the local association at the convention of the National Association of Life Underwriters.

He will present an invitation on behalf of the local Life Underwriters Association and the Life Insurance Managers Association of Los Angeles to hold the 1943 convention here.

Both the underwriters and the managers have joined heartily in the proposed invitation.

Minneapolis Shows Strong Host Spirit

Despite the fact that Minneapolis is virtually certain to be awarded the 1942 convention of the National Association of Life Underwriters, the leaders in that city are taking nothing for granted. One of the best organized local delegations heading for the NALU convention in Cincinnati is that from Minneapolis. Most of them are scheduled to arrive Monday evening in a special car. In all, some 40 representatives of the Minneapolis Association of Life Underwriters, backed by a corps of enthusiastic supporters from St. Paul, Duluth, and other Minnesota cities, will be on hand to present Minneapolis' invitation.

"We intend to demonstrate conclusively to every delegate in Cincinnati that Minneapolis is the logical choice for a convention city next year," according to W. Wright Scott who heads the Minneapolis convention committee. Others going to Cincinnati in official capacities are Ellis Sherman, recently elected president of the Minneapolis Association; William S. Leighton, co-chairman with Mr. Scott of the convention committee; Paul Dunnnavan, national committeeman; Arthur R. Hustad, chairman of Minneapolis' "On-to-Cincinnati" committee; David J. Luick, Frank J. McNally, F. E. McMahon, Edward H. Keating, and Wallace Loring.

The St. Paul Life Underwriters Association has designated Hiram Moore as its official representative, and Leon LaBounta represents the Minnesota state association. Numerous other associations throughout the state and even in the adjoining states of North and South Dakota are expected to have their representatives on hand.

The Minneapolis contingent will depend on facts and logic to support its invitation rather than resorting to elaborate entertainment or staging a spectacular show, according to Mr. Scott. Minneapolis convention headquarters will be maintained at rooms 216, 218, 220 and 222 at the Gibson hotel, staffed at all times by members of the delegation.

Stanley Dale Joins Haight, Davis & Haight at Omaha

Stanley Dale, formerly assistant actuary of Old Line Life, Milwaukee, is now associated with the actuarial firm of Haight, Davis & Haight, and will work out of their Omaha office, which is under the personal management of Arthur M. Haight.

Mr. Dale received his degree of master of science in actuarial mathematics at the University of Michigan in 1935 and entered the service of Old Line Life in December, 1936.

Irl R. Darr, general agent of Equitable Society at Russellville, Ark., was married to Miss Martha Pearl Cowger of Hot Springs.

Life Companies Far in Lead in Use of Tests for Hiring

American Management Assn. Reports on 44 Firms in Varied Fields

NEW YORK—Life insurance is far ahead of other lines of business in using tests and other scientific selection methods in hiring salesmen, a report just issued by the American Management Association reveals. While the report indicates that tests can make definite improvement in selection procedures, an improvement which becomes progressively greater with experience, tests cannot be expected to be a substitute for common sense but rather should be regarded as a valuable supplement to a well-conducted interview, the record shows.

In making its survey the association sent questionnaires to 330 concerns in the manufacturing, financial, insurance and public utility fields. Of this number 176 replies were received in form that was suitable for tabulation. Out of this total of 176 reporting companies tests are used by 44, of which 14 are in the finance and insurance group. The total number of salesmen employed by the companies using tests is 82,727 of whom 69,476 are employed in the finance and insurance field.

Most Are Life Agents

The survey points out that in accurately interpreting the total number of salesmen it must be borne in mind that of this 69,476 almost 60,000 are employed by four of the largest life companies in the country. In fact, a breakdown by size of sales departments shows that most of the companies using tests have comparatively large sales departments, though there are 12 employing fewer than 100 salesmen each that have set up test procedures. In the finance and insurance group there were six companies employing between 1,000 and 5,000 salesmen each and three companies employing more than 5,000 each. This classification was not broken down to show which companies were in the insurance field and which were in finance.

The fact that 25 percent of the 176 reporting companies now use tests should not be regarded as representative of the use of tests, the report warns. For one thing the association endeavored to send its questionnaires so as to include as many test-using companies as possible. Another angle is that the percentage of companies using tests in the group which did not reply to the questionnaire would presumably be much smaller than in the group which did reply. At the same time, however, the use of tests appears to be growing. Fourteen concerns stated that they had recently begun the use of tests and almost one-third of the 132 companies not now using tests say that they are considering them.

Checking Credibility Important

It is apparent that among all companies which are seriously making use of tests that an important phase of the work is testing the tests, that is, determining to what extent the test results check with actual experience. From a life insurance standpoint it is encouraging to note that a much shorter time is believed necessary in this field than in some other lines. A life company, for

(CONTINUED ON PAGE 12A)

Story of Arsenic Murder Ring Is Told by Attorney

ATLANTIC CITY—Three kinds of evidence, insurance, medical and chemical, figured prominently in the investigation of the arsenic murder ring in Philadelphia and in the conviction of participants, Vincent P. McDevitt, assistant district attorney in Philadelphia, told the International Claim Association at its convention here.

It is estimated that approximately 100 persons were murdered as result of the operations of the ring from 1932 until 1938 when the district attorney's office in Philadelphia got on its trail. One of the most fantastic cases in history, it resulted in the arrest of 25 men and women, 22 of whom were convicted and sent to the electric chair or to prison.

Charged \$300 to \$500

For murder the ring charged \$300 to \$500 which could be paid in cash or out of the insurance which the ring arranged. In most cases murder was done by arsenic poisoning which required the cooperation of persons intimate with the victim. Where a woman had grown tired of her husband, a woman member of the ring, Carina Favato, would suggest "the cure" to a dissatisfied spouse. One of the Petrillo brothers, Herman or Paul, working in north and south Philadelphia, would arrange insurance with various innocent agents and without the knowledge of the victim, provide the poison, see that a death certificate was properly signed, and provide for burial with their own undertaker. The ring would then collect the insurance and split the booty.

Since arsenic simulates rheumatic fever, pneumonia, an acute stomach ailment, and heart trouble, the ring had little difficulty in getting proper death certificates and collecting the insurance. However, arsenic is a metal and never decomposes, so that the evidence of poison remained in the grave with its victims where Mr. McDevitt's staff of investigators found it after they got on the trail.

Insurance Companies Cooperate

After the case broke, Mr. McDevitt wrote all insurance companies issuing industrial policies in metropolitan Philadelphia. He submitted a list of names of persons who had died under suspicious or unusual circumstances. The companies promptly responded, and their cooperation was one of the factors making for successful prosecution of the cases.

Companies not only opened their files to Mr. McDevitt but detailed to him half dozen crack investigators, some of the "finest detectives I have ever seen—men like Ed Lyman of the John Hancock, John Moriarity of the Prudential, Benjamin Palladino of the Metropolitan, and Johnny Hopkins of the Home, as well as many others who aided from time to time as the interests of their companies became involved."

Study of Other Poison Cases

In order to meet attacks in court, Mr. McDevitt and his staff read the testimony of every poison case tried and lost in Philadelphia since 1905. In every such case the accumulation of evidence had been careless enough to permit defense attorneys to plant more than a reasonable doubt in the minds of the jury as to the guilt of the accused. For instance, exhumation and analysis of bodies for traces of poison, was careless enough that defense attorneys could show that the body had been left unattended, it had come in contact with metals, etc. There is arsenic in the air, in embalming fluid, in clothing dye, in the soil, and in certain metals from which it can be absorbed. Consequently many such cases collapsed. Mr. McDevitt's office took good care to avoid the possibility of attack on these grounds.

When it became apparent that a ring

was operating, one of the ways in which many of the murders committed by the ring were traced was by finding out from the insurance agents every "lead" given them by either of the Petrillos or suggested by other members of the ring.

The Petrillos usually carried a little extra investment on the victim in the way of insurance. At one time Paul Petrillo had 65 premium books containing no one knows how many policies. One participant in the ring, Dominic Rodio, got the widow as his payment for one murder. Morris Bolber, one of the brains of the organization, stated that his earnings at one time reached about \$1,500 a month as his share from operations of the ring. Thirty-five murders were directly traced to the ring.

Simple to Get Insurance

The placing of insurance was comparatively simple. Paul Petrillo's tailor shop in North Philadelphia was a kind of meeting place for debit industrial agents in a congested district. Members of the ring would suggest leads. In many cases the woman who had been freed of an undesirable husband would, at the suggestion of the Petrillos and at the time of loss settlement, suggest the name of another woman interested in insurance (and in getting rid of her spouse). One

Ten Receive Huebner Awards

Announcement is made of six men who have received fellowships and four who have been awarded scholarships under the S. S. Huebner Foundation for Insurance Education. This foundation was established by grants by the life companies. One of its principal purposes is to help provide qualified teachers to meet the demand for insurance courses.

The six who have received fellowships are now working for their doctor degrees and intend to become life insurance teachers. The four who have received scholarships hold bachelor degrees and are working towards their masters degrees. Five of the 10 are now teaching insurance courses in colleges or high schools.

Those that received fellowships are:

young boy, 16, who earned \$5 a week, carried \$18,000 of insurance. This was placed on him by the ring at various times and without his knowledge and with different agents and companies.

William Beadles, head of the social studies division of Illinois Wesleyan University, Bloomington, Ill.; T. E. Cammack of Norman, Okla., who received his M.A. degree from the University of Oklahoma; Dan M. McGill of Maryville, Tenn., who received his M.A. from Vanderbilt University; Robert I. Mehr, instructor at the University of Alabama; Jay V. Strong of Charleston, Ind., who received his M.A. from the University of Pennsylvania; Sterline Surrey, chairman of the department of business administration, Northwest Missouri State Teachers College, Maryville, Mo.

Those receiving scholarships are: Donald B. Ashworth of Lewiston, Mont., graduate of the University of Washington; William L. Bates, Jr., of Atlanta, Emory University; T. S. Funk, teacher of history and social studies in Terra Alta, W. Va., high school; L. C. Sneed, instructor at Oklahoma City University evening school.

Frank H. Hardison, for many years Massachusetts commissioner and since his retirement insurance counsellor for the Liberty Mutual, observed his 92nd birthday the past week.



"... WHEN I'M A MAN"

how and why are not for these young hearts to worry about. For them it is a great, wide world of opportunity . . . bringing fulfillment of childhood ambitions . . . of daytime dreams

It is continually emphasized by this Company that parents, through life insurance, can make doubly sure their children are never disappointed or impossibly handicapped through lack of necessary financial protection.

THE GREAT-WEST LIFE ASSURANCE COMPANY

Business in Force \$640,255,615

Analysis Made of Policies Issued by Conn. General

Dr. A. J. Robinson, medical director Connecticut General Life, made a study of life policies it issued between July 1-15 this year, exclusive of annuities, to see if there was any special trend. Of these, 67 percent were stock and 53 percent mutual. There were 84 percent on males and 16 percent females. Other interesting figures were:

The plan of distribution was as follows:

Ages	Pct.
0-15.....	3
16-31.....	31
31-45.....	51
46-65.....	15
	100

The plan of distribution was as follows:
59 percent permanent life plans.
25 percent endowment plans.
16 percent term.
10 percent have a family income or family maintenance rider.

Distribution of policies by amount:

To \$2,500.....	Pct.
Between \$2,600 and \$4,900....	55
Between \$5,000 and \$10,000..	12
Over \$10,000	21
	100

Method of Premium Payment:

Annual	Pct.
Semi-annual	35
Quarterly	25
Monthly	25
	100

Waiver of premium disability benefit was included on 62 percent of the policies.

Additional indemnity was included on 40 percent.

Binder premiums were paid on 32 percent.

Occupational Classification

All occupations were summarized under 12 occupational classes:

(1) Risks in manufacturing and mechanical industries were the largest single group constituting 17 percent of the total.

Further analysis of this group was made to determine the type of risk included in it.

56 percent were executives, white collar workers, salesmen, clerks or plant superintendents.

31 percent of these policies were on what we broadly class as skilled labor, such as engineers, foremen, mechanics and machinists.

13 percent was made up of what we classify as semi-industrial grade business such as apprentices to skilled mechanics and machinists.

It is evident from this analysis that you are not writing any appreciable amount of strictly industrial grade business which would be represented by the wholly unskilled industrial worker.

Other important groups were:

- (2) Professional services 16 percent.
- (3) Housewives, students and other non-gainful occupations 13 percent.
- (4) Transportation and communication 11 percent.
- (5) Banks, brokerage and insurance 11 percent.
- (6) Wholesale and retail trade 10 percent.

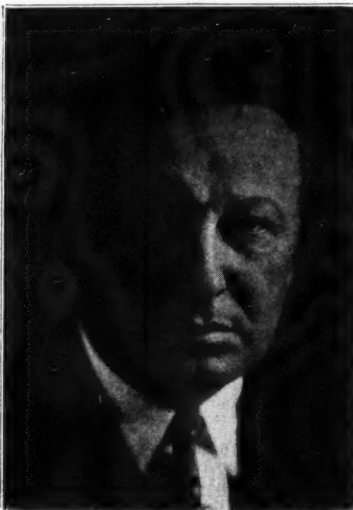
These six occupational classes account for 78 percent of the policies. The balance were distributed as follows:

- (7) Domestic and personal services 7 percent.
- (8) Agriculture 4 percent.
- (9) Recreation and amusement 4 percent.
- (10) Auto sales and service 3 percent.
- (11) Government service 2 percent.
- (12) Mining and mineral extraction 2 percent.

Sets Record of 520 Weeks

L. A. Deininger, associated with the Dayton agency of Northwestern National Life has completed 520 weeks of continuous membership in the App-A-Week Club. He is the 19th man in the NwNL organization to attain this record. Mr. Deininger was awarded \$100 in cash and a pair of sterling silver candlesticks.

Former Company Head Dies of Heart Attack



CLARENCE L. AYRES

C. L. Ayres, 67, former president of the American Life of Detroit, died from a heart ailment at Grandview hospital, Edinburg, Tex., near which place he had been living on his farm estate in Hidalgo county. He had lived in Texas for the last 18 months since his retirement from the company. Mr. Ayres suffered a heart difficulty for many years.

He was born on a farm near Decatur, Ind., in 1874, educated in a country school and maintained during the height of his career that he was "going to school every day of my life." He entered insurance in his youth, studied law in his spare time and was admitted to the Indiana bar in 1898. Three years later he went to Detroit and in six years had become manager of a life company with which he was connected.

Formed Northern Assurance

In 1907 he organized and became president of the Northern Assurance, which later was reorganized as American Life of Detroit and became the largest life company with home office in Michigan. Ayres was in active control of the company until the insurance commissioner was appointed its custodian in 1938. After two years of constant litigation, American United Life of Indianapolis took over the business.

Served as A. L. C. President

Mr. Ayres was president of the American Life Convention in 1929, and previously was on its executive committee for a number of years. The existence of the various A.L.C. sections, other than legal and medical can be credited to him, for at a meeting in Detroit he proposed forming financial, agency, life office management and junior sections, and these were approved and started. The latter two soon died of anemia, but the agency and financial sections proved to have permanent interest for members.

He was the father of Robert M. Ayres, southwestern field manager of Hooper-Holmes Bureau, Dallas. Another son, Byron, is supervisor of Ohio State Life in Detroit.

Van Schaick Discusses Evil of Government Supervision

PITTSBURGH—G. S. Van Schaick, vice-president New York Life and former superintendent of insurance of New York, spoke on "The Quest for Security" before the Pittsburgh Life Underwriters Association.

Mr. Van Schaick traced the development of the fire business and the even more remarkable growth of life insurance. He stressed the importance of

Canadian Report to Ask Policy Changes

TORONTO—Broad changes in life policies, especially group contracts, may result from recommendations as to modification of policy phraseology to be made next week to the Association of Superintendents of Insurance of the Provinces of Canada at the annual meeting here by the standing committee on life insurance legislation.

H. G. Garrett, superintendent of British Columbia, is committee chairman. He will urge the association find some way to retain the services of Wilson McLean for this legislative work. Since Jan. 1, Mr. McLean has been manager and secretary of the newly formed Canadian Inland Underwriters Association, previously having been legislative counsel of the superintendents association, as well as deputy superintendent of Manitoba. Despite his new duties Mr. McLean spent considerable time and effort in helping prepare the life committee report for the conference next week.

Nature of Recommendation

The report will recommend that Canadian courts be empowered to presume the death of a beneficiary in the same way as it may now presume the death of the insured. This submission is the result of a case recently where moneys were tied up for indefinite periods, although the beneficiary in question has not been heard from in years.

It also will be recommended that where an insurer admits liability for insurance money and it appears to the insurer after reasonable inquiry, that (a) there are adverse claimants; or (b) the place of abode of the person entitled is unknown; or (c) there is no person capable of giving or authorized to give a valid discharge, the insurer may apply to court for an order for payment of the money into court, and the court may upon such notice, if any, as it things necessary, may make an order accordingly and such application shall in the first instance be made ex parte.

Also, in the matter of where a minor is the beneficiary, it will be recommended that the insurer may, without any order from the court pay the money, less costs (\$10 for first \$1,000 of insurance and \$15 over that) into court to the credit of the minor. This is in case there is no one who can provide a valid discharge.

Approximately 40 pages of the 60-page report are taken up with suggestions of Mr. Garrett—for rewording, changing of clauses, inclusion of new words and clauses, and deletions in group life policy wordings. It is felt, according to opinions in the report, that the problem is much too big to be handled by one conference, and part may have to be carried over to next year, during which time further details can be handled by the committee.

supervision of the industry by states and the federal government. Of the latter he said in part:

"Many insurance men fear the strengthening of governmental supervision of insurance because they think strong and effective supervision might lead to eventual governmental ownership and operation. On the other hand, there are those who believe that the danger of governmental take-over lies more with weak supervision than with strong. From a background of supervisory experience both in normal and in panic times, the assertion is confidently made that if governmental ownership and operation of insurance ever comes it will be because supervision has proven inadequate to the task allotted it."

Henry E. Taylor has been appointed district manager of Reliance Life at Brinkley, Ark.

Commissioners Resent New Illinois Law

A number of insurance companies are reported to be indignant because of the passage by the recent Illinois legislature of a law that was desired by State Farm Mutual Automobile of Bloomington, Ill. The statute in effect provides that if any state refuses to issue a license to an Illinois company that is able to meet the financial and other requirements of the law of such other state, the insurance director of Illinois may refuse to license in Illinois companies domiciled in that other state.

The bill, when first introduced, provided that the Illinois insurance director "shall" refuse to license companies of the other state, but this was modified to give the director merely discretionary power. State Farm Mutual asked for this legislation, because of the difficulties it has encountered in Wisconsin. A number of the local mutuals of Wisconsin have sought to keep the Illinois company out of the state and there has been much litigation and legislative debate of the issue there. The issue has centered about the matter of setting up reserves to cover membership or policy fees that are collected when the business is first written.

Some of the commissioners that are up in arms contend that under this legislation there is set up a special standard for Illinois companies to be licensed in other states. It may be that the commissioners at their mid-winter meeting in December will express their opinions on this matter.

Although a few of the commissioners, particularly the Wisconsin department, may be exercised because of this law in Illinois, other observers feel that there may be no practical effect from the legislation. An Illinois company under the law, must first be "legally entitled" to entry into another state and still be denied admission before the Illinois director is given permission to retaliate. The question of what constitutes "legally entitled" to admission to a state is perhaps susceptible to various interpretations. The Wisconsin authorities have contended that State Farm Mutual is not legally entitled to a license in Wisconsin, and there is a suit to adjudicate that question. Should State Farm Mutual win a favorable decision and the Wisconsin department still refuse to issue it a license, then presumably the Illinois statute would come into play. By and large a commissioner is obliged to license a company if it can comply with all the requirements and the commissioner would always undertake to justify refusal of license on specific grounds. The commissioner are the ones that decide when a company is legally entitled to enter that state.

Confer on Real Estate Problems

LOS ANGELES—Plans for fall and winter activity in the field of real estate and mortgage loans throughout the nation are being formulated by district managers for Pacific Mutual Life at a series of conferences here.

STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 So. La Salle street, Chicago, gives the following stock quotations of life companies as of Sept. 8, 1941:

	Par	Div.	Bid	Asked
Aetna Life	10	1.40*	29	30 1/2
Conn. Genl.	10	.80	27	28 1/2
Contl. Assur.	10	2.00	36	38
Life & Cas.	3	.50	9 1/2	10 1/2
Lincoln Natl.	10	1.40*	28	30
New World Life ..	10	.30	3 1/2	4 1/2
N. W. Natl. Life ..	7.50	.30	9 1/2	10 1/2
Old Line Life	10	1.25	29 1/2	31
Travelers	100	16.00	415	430
Wis. National.	10	1.00	16	18

*Includes extras.

Big Opportunity, Welch Says at Equitable Rallies

Vincent Welch, second vice-president Equitable Society, speaking at several educational conferences of midwestern agencies of the company, asserted that there is a greater opportunity for the sale of life insurance in the next four months than ever before in the history of the business. There is more money being earned, and the competition for the prospect's dollar by automobiles, radios, etc., is being sharply reduced because of priorities.

Another factor is that life insurance never has had as much prestige as now, Mr. Welch said. He expressed the belief that inflation is not a matter for worry, and cited current living cost figures to prove his point.

Changed Methods Needed

The present opportunity will require some change in selling methods, he said. Most agencies have been concentrating on the white collar class where they get a high average policy. This type of prospect is not making the extra money currently being earned, and in addition he is worried about taxes. It is in the field of the working class where the real opportunity lies, and this is going to call for more package sales and less programming.

Mr. Welch spoke at the annual educational conference of the Warren Woody agency of Chicago, held at Elkhart, Wis., and at the conference of the Robert M. Ryan agency of Detroit held at Wawasee, Ind.

Other Conferences

Other Equitable agencies have held agency conferences in the last two weeks. The E. L. Carson agency of Milwaukee met at Elkhart, Wis., for three days. The Robert Reno and Phil Hobbs Chicago agencies met jointly at Holland, Mich., and the Sam Lustgarten agency of Chicago at Starved Rock, Ill., with Vance Bushnell, second vice-president of the company in charge of sales promotion, on hand to represent the home office. Mr. Bushnell also spoke at the conference of the Homer Rogers agency of Indianapolis at Wawasee. The George W. Woodward agency of Cincinnati and the J. K. Taylor agency of Louisville held a joint conference, also at Wawasee. A. M. Embury, Kansas City, general manager of the company, attended that meeting.

Iowa Group Law Modified

DES MOINES—Modification of the group insurance law in Iowa by the last legislature to include commissioned agents has resulted in increased business. The law was modified principally so that insurance agents could come under the group plan, but it now includes all types of agents working on commission and has created an entirely new field.

The law was changed to apply where a contractual relationship exists between a common principal and any group or persons similarly engaged. The state medical society had contemplated a group plan for all of the physicians in the organization but attorneys for the society decided there was no contractual relationship existing and that the group fell outside the provisions of the law.

Only One "Analyst" Applies

SAN FRANCISCO—Only one applicant for a license to operate as a life insurance analyst appeared to take the examination held here under the new law which becomes effective Sept. 13. The one applicant was E. T. Dooley, well known to various business practices committees of California life underwriters associations. Result of his efforts to pass the examination will not be known for several days.

Paid-up Additions Taxable in Iowa

DES MOINES—District Judge Halloran has denied the petition of Prudential asking for an injunction to restrain the state tax commission from collecting premium tax on dividends used to purchase paid up insurance. Prudential also loses its plea for return of \$25,143 taxes paid under protest in 1939 and 1940.

Prudential contended that the tax is not applicable, because no money has been paid for such insurance. The state tax commission takes the position, however, that dividends used for this purpose are the same as regular premiums. Prudential and 11 other companies paid the tax under protest.

Urges Savings Bank Plan to Fend Federal Threat

Robert F. Nutting, president of the Massachusetts Savings Bank Life Insurance Council, in addressing the convention of the Maine Savings Bank Association, pleaded for the extension of savings bank life insurance to other states. He predicted that unless savings bankers keep up with the "public need and public demand for low cost insurance protection, the federal government through one agency or another may adopt some form of over-the-counter insurance." Mr. Nutting is president of the Cambridgeport Savings Bank at Cambridge, Mass.

Program Is Prepared for Chicago Joint Luncheon

The program was announced for the joint luncheon meeting Sept. 24 of the Chicago Association of Life Underwriters and Chicago chapter of C. L. U. W. N. Hiller, association president, and R. D. Hinkle, chapter president, will be co-chairmen. G. H. Gruendel, Mutual of N. Y., is in charge of the program.

There will be a brief talk on "Developments and Changes in C. L. U. Work" by J. P. Williams, director of educational advisory department American College of Life Underwriters. Three million-dollar producers who are C. L. U.'s will talk. Russell C. Whitney, Connecticut Mutual, will speak on "Capital or Income?" Paul W. Cook, Mutual Benefit, is to give "Constructive Ideas That Sell." L. M. Buckley, New England Mutual, will talk on "An Approach."

J. D. Moynahan, president-to-be American Society of C. L. U., will confer upon 12 new Chicago C. L. U.'s their designation and give them the charge.

Miss Joy M. Luidens, executive secretary Chicago association, was one of 12 trade association executives to pass the examinations conducted at Chicago by the National Institute of Commercial & Trade Association Executives, and will receive her certificate at the American Trade Association Executives convention in Hershey, Pa., Sept. 11.

Names Illinois Committees

A. E. McKeough, Occidental Life, Chicago, president Illinois Association of Life Underwriters, has announced his committee appointments. Chairmen are: Francis P. Beiriger, Connecticut Mutual, Rockford, finance; John Taylor, Mutual Life of New York, Springfield, legislation; Earl M. Schwemm, Great-West Life, Chicago, membership; K. E. Williamson, Massachusetts Mutual, Peoria, education; James H. Brennan, Fidelity Mutual, Chicago, sales congress; Jerry Ballentine, Aetna Life, Waukegan, publicity; E. C. Clark, East St. Louis, extension, and Philip B. Hobbs, Equitable Society, Chicago, general agents and managers.

Pacific Mutual Life has notified home office employees it will make salary deductions for purchasing government defense bonds. The deductions will be purely voluntary.

Ohio National Life Encounters Struble, Knecht

Suit for a declaratory judgment sustaining the proposed mutualization plan of Ohio National Life was filed in Cincinnati common pleas court by the company.

The suit is directed against Roy L. Struble, attorney, and Harold C. Knecht, listed as holders of 69 shares—all of theirs allegedly having been purchased since July 30, 1940—and opponents of the plan. They were the lone opponents, the suit says, at a meeting July 30 where holders of 62,264 shares voted in favor of the plan.

Struble and Knecht, the suit continues, hold that the Ohio mutualization act, under which the plan is proposed, is unconstitutional and have demanded that the company test it in court. The company contends, however, that they

waived their right to contest constitutionality of the act by filing written objections to the plan prior to the stockholders' meeting, and written demands for payment of the fair cash value of their stock. It asks that they be held to have no rights except to a fair cash value as dissenting stockholders.

The plan is to go before a policyholders' meeting Oct. 30. It must be approved by stockholders, policyholders, and the Ohio superintendent of insurance.

Knecht a short time ago filed suit against American Druggists Fire of Cincinnati through Attorney Struble as the owner of 10 shares of stock to recover \$681,423 from directors of that company for alleged acts. The court upheld the company on practically all of the counts, but there was a finding of \$1,500 against the directors. American Druggists was ordered to pay court costs and a reasonable fee to Knecht and Struble.

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Ruts . . . Ruts . . . Ruts . . .

Can keep a good man down!



Some ruts become insidiously comfortable. Day follows day. Week follows week. Enough work to keep you busy. Enough success to keep you dreaming of the greener pastures "just around the corner."

That's all some men ever need for their happiness. But it's certainly not enough for us at Connecticut General . . . or, we hope, for you who are reading this. The entire Connecticut General organization is geared up to keeping a man moving fast. Our complete lines tap broader sales opportunities. Our powerful coordinated sales promotion multiplies each agent's selling effectiveness. Our continuous training methods develop maximum personal selling ability.

A man either goes ahead fast with Connecticut General or he finds a new niche . . . but he doesn't stay in a comfortable rut.

Connecticut General

LIFE INSURANCE COMPANY

Hartford, Connecticut

Life, Accident and Health Insurance, Salary Allotment Insurance, All Forms of Group Insurance, and Annuities.



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National Guardian Convention Held

(CONTINUED FROM PAGE 4)

brought out as a sales appeal. They are something new and people hunt new things. The regular old time standard forms, he declared, constitute the backbone of life insurance.

People with Pet Ideas

Some people, he said, have preconceived notions of just what policy they want. The agent knows some other is far better adapted to the needs of his prospect. He may try to talk his man out of his choice and it may spoil a sale. The speaker advised the utmost caution in such a case. An agent of another company may have created a desire for some special contract. In these predetermined cases, great care should be practiced. Where an agent is in doubt as to what kind of a policy to recommend, Mr. Heezen asserted he would make no mistake in using the ordinary life.

Comptroller Johnson Speaks

Comptroller L. J. Johnson told some of the most frequent causes of delay in getting out a policy. He said if a job is done correctly at the start there is little likelihood of delay. Loan agreements need to be properly made out and the policy itself sent to the head office. Often some signatures are missing on the agreement, as it requires all those that have a financial interest. Often checks are received with no or inadequate information as to what they cover. Sometimes a small piece of paper is attached which is very difficult to file. Extension notes often cause delay. Extension agreements are sent in without a health certificate.

Use one sheet of paper for each subject, he said. In case of reinstatement of lapsed policies sometimes the agent signs the holder's name, a dangerous procedure, for in case of claim he may be involved. Give the correct address of the applicant, Mr. Johnson urged. He acknowledged that from 92 to 95 percent of delays are due to inexperienced agents.

Dr. A. R. Tormey's Address

Dr. A. R. Tormey, medical director, urged agents to furnish all possible information on cases, especially details of past illnesses. He said that an agent broods over a rejected case for months. It looms up in his mind. For instance, in \$3,708,000 of submitted insurance he rejected only \$129,000. He passed 95½ percent of the applications. Similarly a physician laments over a patient that dies, usually one in 100.

Boissard's View

Vice-president Richard Boissard in looking forward reviewed some of the main events in the company's career this year. It erected its home office building, which took much time in supervision; which can now be employed in business building. It changed from a 3½ percent to 3 percent reserve basis, which meant getting out a new rate book, and a new policy was devised. It was necessary to get departmental approval of this contract. A training and sales course was gotten out. A war clause had to be studied.

Part Time Agents

He quoted from the triennial examination of the Northwestern Mutual. It has 93 agencies that average 25½ whole time agents and 25¾ part time. There are 9.2 new part time agents employed each year on the average which just about keeps the level up to par. Mr. Boissard urged employment of more part time men and give them more training. Work plans and habits should be furthered. More organized help in the field is needed.

Improved Business Conditions

Business conditions in many lines he stated, are improved. Bank deposits are increasing. More cars are bought.

There is more money to spend. There is constant expansion of many enterprises. He sees an increase in price of foods. Wholesale prices are higher than retail. When present stocks need to be replenished, retailers will be forced to pay more.

Boissard Presides at Banquet

President G. A. Boissard presided at the banquet and gave recognition to members of the Forty Club, who sat at a special table. Service emblems were awarded to 30, 20, 15, 10 and 5 year men. Brief remarks were made by George Johnson of Madison, president Gesholt Machine Tool Co., a director; Carl Gloeke, Eau Claire, president Union National Bank, a director; Dr. A. R. Tormey, medical director; C. E. Roth, Denver, sales consultant; C. M. Cartwright, THE NATIONAL UNDERWRITER. Mr. Boissard announced an increase of \$1,610,000 insurance in force at the end of eight months, which exceeds the combined gain in 1939 and 1940 for the similar period. The new business was \$3,486,000.

The hit of the evening was scored by the "Guardian Follies," in which 10 home office girls poked fun at head office and field people in a series of verses written by Katherine Blank, the telephone operator. The coach was Assistant Secretary Hazel H. Schulz, who also with Frances McKenna acted as stage director.

Generous entertainment was provided for the ladies. Luncheon was served in the dining room of the home office two days. The last afternoon and evening were spent at Maple Bluff Country Club.

Comments on Inflation

Mr. Boissard does not believe that prices can be controlled on every thing else and nothing done on farm products and wages. However, he avers there is less chance for inflation than during World War No. 1. Lower interest rates have had a material effect on life insurance dividends. This means an indirect tax of \$5 per \$1,000 on policyholders.

People will buy defense bonds and social security benefits are likely to increase, yet with all this families should

be protected. War risk insurance so far is not being bought to any extent. The average policy is \$3,200.

Mr. Boissard stated that he inferred from the statements made by Senator George, chairman finance committee, that life companies may be confronted with a premium tax bill some time in September. He predicted a 2 percent tax will eventually be levied. It will apply to old as well as new premiums. Very little can be predicted, he thinks, about the war or economic situation.

The National Guardian set \$55,000,000 of insurance in force by the end of 1941. To do this the agents must pay for \$1,680,000 in the next four months. The audience agreed with him there should be an increase of \$2,500,000 in force in 1942.

Schmedeman's Luncheon Talk

All hands, agents and their wives, were guests at luncheon at the home office the last day. Secretary W. J. Wandrey presided and Agency Superintendent A. G. Schmedeman gave the talk. Life insurance production by an agent, he said, is varied. He has his lean as well as fat periods. After all however the law of average will work. The agent needs encouragement during the times he is not getting business. If the wife appreciates the law of averages she will bolster up her husband in days of slack production. She can do much for him in prospecting. She attends parties, church, club meetings, and can gain much knowledge about families that will be of vital importance to her husband.

The speaker said a wife should be an excellent home manager and see to it that the budget is balanced because the income is not flowing in regularly.

Mr. Schmedeman advocated two closing interviews a day. An agent should make four calls a day on prospects. He should see one old policyholder a day because the latter should be a good source of information on new prospects. He urged proper time control and working according to a schedule. He advised the men studying the new training course and also the wives should read it. The company on Sept. 1, he announced, had in force \$54,362,000.

Life agents were guests of the Manitowoc, Wis., Insurance Board at the annual outing held at Loeff's resort.

John Hancock Nears Five Billion Mark

(CONTINUED FROM PAGE 3)

ful thinking and a better appreciation of the opportunities available through improved selling methods.

A unique feature was a session at which the following home office men gave 10 minute descriptions of the way their departments operate: Charles J. Diman, vice-president and secretary; Byron K. Elliott, vice-president and general counsel; James H. Magee, assistant treasurer; Dr. W. B. Bartlett, medical director; F. J. Keefe, manager underwriting department; J. A. Peirce, advertising manager; H. A. Grout, associate actuary; P. N. Eckman, manager group department, and Miss Sophie C. Nelson, director of the visiting nurse service.

Get Policies Issued Quickly

"One of our greatest concerns and also one of yours, has been, and will continue to be, the job of getting policies issued as quickly as possible after the application has been submitted," Dr. Diman explained. "The home office must be geared to meet sudden increases in new business. Some days during the past two months, 200 percent of the usual number of ordinary applications passed through the underwriting, medical and secretary's departments. Even though these unparalleled increases took place in vacation time, the home office group met the situation."

"Actual litigation growing out of the life contract," Mr. Elliott explained, "is a comparatively small part of the law department's work, certainly not over 10 percent. Prior to the issuance of a new form, a great deal of legal work must be done; but it cannot be adopted until it has been checked with all the applicable state laws. New laws must be noted at once and complied with."

Highest Type of Contract

"Among all the various kinds of contracts, the contract of life insurance stands out as the highest type. It is one of those promises that men can live by. Even its occasional critic is not heard to say that it won't be kept. It differs from any others of wide personal use in that its principal object is unselfish and its purpose a lofty one. It differs also in the safeguards thrown about it to insure its performance and the traditional service which accompanies it. It is a contract for a job to be done, oftentimes after the insured has gone. It involves the highest measure of good faith," Mr. Elliott declared.

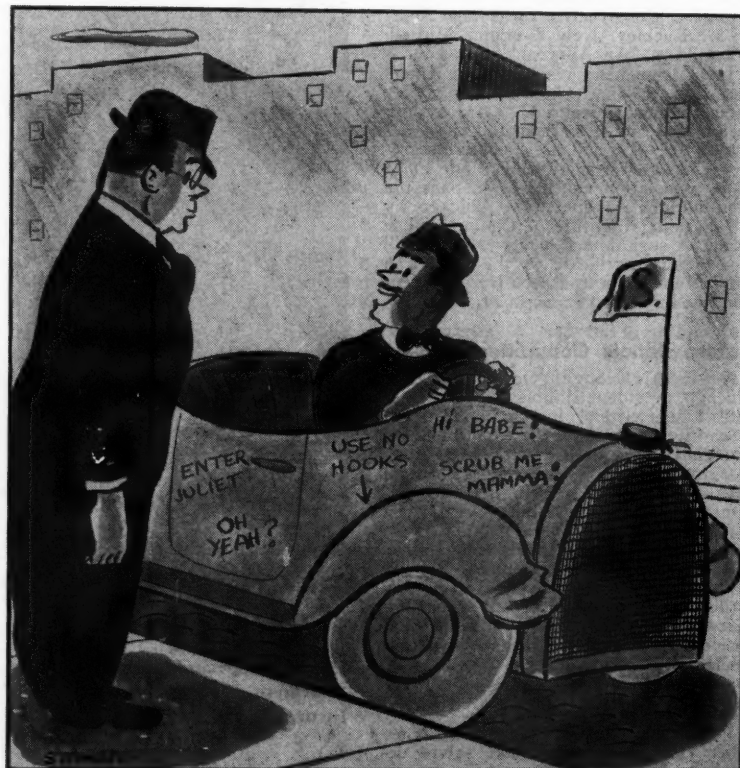
Investment Procedure Explained

Mr. Magee described the operation of the finance department. "No investment of any description," said he, "can be acquired, changed or disposed unless the act is first specifically authorized by the finance committee. The acquisition of an investment is but the prelude to a program of constant attention that the company may take all means at its command to guard against any detrimental change in the physical security underlying any investment or to the ability of promisors to meet their contractual obligations."

Learn to Select Business

"Agents with long service," observed Mr. Keefe, "usually have a higher ratio of approved applications than the company's general average. This is due to the fact that they have acquired a knowledge of the type of risk that will be considered insurable. As their selling time is their business capital, they endeavor to invest that capital to obtain the highest return. By mastering a few principles, an agent can improve his selection without waiting to learn by experience."

Seventeen thousand weekly premium



"I use my son's car to get to my insurance class!"

applications are received every week, or about 10 for every minute of the working day, Dr. Bartlett said. "It would of course be impossible," he said, "for us to personally review all these applications, so we have formulated rules under which checkers and approvers in the weekly premium divisions operate. Cases that fall outside their limitations are referred to the medical department, where they are again reviewed by a corps of lay approvers working under our direct supervision. These approvers take up the questionable cases directly in conference with the medical officer. Only a little over 4 percent of the applications reaching the weekly premium divisions need be referred to the medical department.

"A similar method of handling is employed for the ordinary applications. About 6,000 applications are received each week and are thoroughly reviewed in the underwriting department. About 14 percent are then referred to the medical department and again reviewed and studied by lay approvers working under our immediate supervision. This method of procedure makes it possible for us to handle cases much more quickly than could be done if all applications were reviewed by members of the medical department. Although the lay approvers in the medical and underwriting departments can advise and approve cases for issue, no case may be modified in any particular, either as to form or amount, or postponed or rejected, without references to a medical officer."

Keep People Well

"Keeping people well is almost as essential as having them well upon being insured, because information leads us to believe that one of the greatest reasons for default in the payment of not only life insurance, but of most of the necessary commodities in life is lack of health, sickness, or the loss of wages during sickness, or the high cost of being taken care of during sickness," Miss Nelson stated.

The visiting nurse service, inaugurated in 1925, is now available through all the John Hancock's district agencies. In 1940, 103,833 cases were served and 514,995 visits made. About 25 percent of the service was given to maternity cases.

"A government survey made in an eastern city," Mr. Peirce pointed out, "revealed that in one year 43 percent of the population either moved from one neighborhood to another or out of the city. Those who moved out were replaced by others moving in. In theory, therefore, at least every fifth person you call on is new to the city. It is important to you that the prospect have some confidence in the company you represent. Partly because of our national advertising, it makes little difference where that prospect comes from."

Must Analyze Data

"Mortality experience is the very foundation upon which the whole structure of premium rates primarily rests," Mr. Grout said. "The actuary must constantly analyze the claim experience of the various classes of risks which his company insures and must also keep informed of current trends in the death rates not only among the population of the country as a whole but especially among insured lives as a general class."

In computing premium rates and non-forfeiture benefits, the actuary assumes not only certain rates of mortality but also a rate of interest which it is anticipated the company will be able to earn on its investments during the period that the policy remains in force.

"Ordinarily," Mr. Grout said, "the company is able to invest its funds at rates on the average appreciably in excess of those assumed in the premium calculations, but you have all witnessed increases in premium rates in recent years, especially in the annuity field, necessitated by falling interest returns."

The three elements, mortality, interest and provisions for expenses, make

up the gross premium which is charged to the insured. "If these elements have been wisely selected," Mr. Grout observed, "to provide margins of safety so that contingency and surplus may be set aside for a rainy day, the company is in a fair way to prosper."

Mr. Eckman predicted that the district organization will write a far greater volume of group than it has heretofore and that his department is laying plans accordingly.

Staff Expanded

He pointed out that the staff of the group department has been materially increased during the past year, both in the field and in the home office to take care of the greatly increased volume of business and to render more and better assistance to the field organization. In certain areas men have been assigned to work exclusively with the district organization, a departure which has already borne results and one which it is anticipated will be extended. In other territories more man power is becoming available to help the districts.

Provident L. & A. Holds Convention of Life Agents

(CONTINUED FROM PAGE 2)

R. L. Maclellan showed that lapsations for the first eight months indicated a large decrease over the same period one year ago. He pointed out that on the Best's lapsation formula the company's improvement was marked, changing from a 12.1 percent lapse ratio in 1935 to 8.3 percent for 1940, and that for the first eight months of 1941 the rate of lapsation has been only 6.8 percent.

He likewise reported great improvement in the average size policy written, going from \$2,286 in 1939 to \$2,448 for the year to date. In reviewing agency recruiting over the past year, Mr. Maclellan pointed out that the majority of new men appointed had not had previous life insurance experience. He predicted even greater results for the coming twelve months.

Members of the President's club and their wives were honor guests of President Maclellan at breakfast. These club members included W. G. Perkins, Hal D. Laughridge, Don T. Linkous of West Virginia; H. R. Going and W. F. Going of South Carolina, and Edwin O. Martin and Irby Bright of Tennessee.

In addition to home office officials, talks were made by leading producers, including: W. G. Perkins, C. F. Dicken and H. D. Laughridge, of West Virginia; H. Grice Hunt and W. F. Going of South Carolina, and Paul M. Ray of Tennessee.

Other Speakers Listed

Other speakers during the business session included Irby Bright of Tennessee; Harvey C. Maness of North Carolina, and J. Mack Moss of Virginia, and the following home office officials: President R. J. Maclellan, Dr. Charles R. Henry, medical director; Hugh O. Maclellan, assistant secretary; Edwin O. Martin, manager home office life agency, and Sam E. Miles, agency manager of the life department.

Numerous entertainment features were enjoyed, including a visit to famous gardens atop Lookout Mountain; a Tom Thumb golf tournament over the original course; a barbecue with Dr. Henry in charge. Other features were a ride on the incline railway up Lookout Mountain and a sightseeing trip to the recently created Chickamauga Lake.

A stunt that drew much favorable comment was the making of small souvenir phonograph records by various field representatives during the gathering, these being played back at the barbecue, at times with startling effects. Each guest desiring it was supplied with a souvenir record.

The finale was a dinner made lively by trick banquet paraphernalia. Members of the home office staff later arrived for a dance, highlighted by the

Chairman Previews Advertisers Meet

Lewis B. Hendershot, manager of agencies Berkshire Life, previewed the forthcoming annual meeting of the Life Advertisers Association of which he is general chairman, at the monthly meeting of the Keystone Group of that organization. Mr. Hendershot said that, in deciding upon the theme of the convention, "Designed to Help Salesmen Sell," many factors have been taken into consideration. Among them, the influence of current world conditions upon sales promotion material and upon the sale of life insurance. Mr. Hendershot advised that the sales promotion men as well as the agent be constantly alert to changes outside of the business which are likely to affect it.

"One of the sales promotion man's biggest problems," said Mr. Hendershot, "is that of getting the agents of

"dance of the 35 Provident states," with men wearing names of these states and the ladies wearing the capitals. At a given signal, a search for appropriate partners began.

his company to use the sales material he has prepared." It is quite often the case that after material has been prepared at the field man's suggestion and at considerable expense the agent's demand for the material is not as great as it should be. The sales promotion man, therefore, must promote his material so that the agent will get the maximum of benefit from it.

In constructing the program, Mr. Hendershot held many interviews with key advertising men, with the result that the program will present a realistic approach to practical solutions of the advertising man's and the agent's problems.

Priorities Hamper Building

NASHVILLE — Construction of a large office building for Life & Casualty is being seriously hampered by defense priorities on certain materials. Architects have already changed type of construction of the building because of this condition.

The addition to the home office building of National Life & Accident is nearing completion and is past the stage where difficulty in getting materials may be expected. The building will be occupied by floors as completed and there will be a formal opening about Christmas.



"SOCIAL SECURITY" SELLING

As provided for in the Minnesota Mutual Sales Kit, assures the needed family income, no matter how often or how much the Social Security part of that income changes. Through a plan recently developed the Minnesota Mutual provides the counter-balance, a varying life insurance income to make up the difference between the income actually paid by Social Security and the minimum level income desired. It's a "best seller." Ask us for details.

Look over these ADDITIONAL ADVANTAGES enjoyed by our Field Force:

1. A liberal agency contract
2. A plan for financing your agency
3. Accounting methods to guide you
4. Proven plans for finding—training agents
5. A liberal financing plan for your agents
6. A unique supervisory system
7. Organized Selling Plan
8. Unusually effective selling equipment
9. Policies for every purpose: Regular — Family — Juvenile—Women—Group—Payroll-Savings, etc.
10. Low monthly premiums

A \$248,000,000 Mutual Company, 61 years old, with an understanding, cooperative Home Office

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

Saint Paul, Minnesota

President Wilde in Outspoken Talk at Company Convention

(CONTINUED FROM PAGE 3)

our product which is protection and thrift in opposition to over buying of luxuries.

"We have had inflation theoretically for 10 years. So far there has been no real inflation which means it takes much more money to purchase anything. Prices are up from 5 to 7 percent. In the stock market, people buy and sell according to their best judgment yet current prices are lower than they were when the war started. We are likely to have a reasonable increase in prices. During World War No. 1 prices advanced 100 percent in some cases. If they go beyond 25 percent, I will be greatly surprised, at least they will not reach War No. 1 figures. The central government can control prices if it is the political thing to do. The opportunity to help our country and conserve our future offers a real challenge."

Vice-president Haviland's Talk

Agency Vice-president F. H. Haviland said there is so much to sell in life insurance, so many opportunities to help, so many chances to assist in solving personal problems there are not enough hours to do the work. All salesmen should develop a merchandising plan and work pattern. Agents want more income and see the opportunity to render more service. He said they must secure information about people, their condition, their business, because with greater knowledge, more can be done for

prospects. A prospect inventory should be made. Mr. Haviland said:

"Our company by and large is seeking policyholders from the great middle class. We have our group coverages for industrial workers. Our people secure much valuable information through the accident insurance approach. When one talks to a prospect he may be in the market for salary allotment, hospitalization, group, etc. You should be very familiar with your plan. Let the waste of time be minimized, agents needs to drill and rehearse, and study. By this means, they acquire confidence in their capacity. Get information and use it."

It was announced that the President's Club will hold its 1942 meeting at Sea Island Beach, Ga., May 6-8.

Connecticut General is proud of its record in its home state last year. It wrote more ordinary insurance than any other Connecticut company and more group than any company.

A drenching rain and high wind hit this region late Sunday afternoon. It kept up a lively pace all night and Monday morning so that the conventioners had to be taken to the Casino, the meeting place, considerable distance from the hotel, in station wagons. By noon, the downpour ceased so that the golfers played under misty, sodden skies and sponge like fairways.

Agency Superintendent J. L. Cole presided over Monday's session, Vice-president Haviland Tuesday's and President Wilde Wednesday's.

than he does elsewhere. The specters that haunt him are death, unemployment, disability and old age. Group insurance can help at least in three contingencies. There are now 12,000 people protected by group insurance. Group accident and health is popular for disability purposes. Hospitalization is bought for medical expense. Creditors group life insurance and mortgage group are two of the latest forms. People of more modest incomes are buying homes. Mortgage insurance will protect the title. This form of insurance makes the loaner more ready to do the needful.

Student reimbursement by group accident and health is used. All these forms provide low cost insurance. This meets the basic needs of the industrial classes. There is no shrinkage in the group market, there are plenty of prospects.

The Connecticut General has 41 group field men. There are seven now in its training school, last year its agents were paid \$270,000 commissions on various group cases closed.

View from the Field

Mr. Allison said the need for more income is the problem at home and it is the cause of differences between employers and employees. Mr. Allison said:

"If you have not a definite sales procedure you are handicapped. One should know well the uses life insurance has to offer. Time is as important to the agent as money. Time should be turned into profit. Do something for somebody. Get all the information possible about your prospect so that you can honestly and intelligently advise him. He will have to make some sacrifice. Try to be of service and helpful. You should know the character of your prospect. You must have plenty of information before you make an honest recommendation. There is too much scheming to get something and too little tendency to give. In a growing country an agent takes orders. That is not the

condition here today. To handle group cases you must have the confidence of the employer and sufficient prestige. Thrift and self denial build character. When an agent gets close to the pocket book he is near the heart of his prospect.

The classes of group insurance the Connecticut General writes are life, creditor, mortgage, accident and health, hospitalization and surgical benefits, accidental death and dismemberment, student reimbursement, group annuities.

Legal Point of View

F. P. McGuire, home office attorney, said the tax deduction argument can be an important part of the sale as the federal government looks with favor on bonafide retirement plans. If it is a scheme primarily to avoid tax, then it will not be regarded with favor. A deduction will be allowed if it is a legitimate business expense. If a concern has to pay \$10,000 in taxes, for example, in a legitimate retirement plan it may be able to use \$5,000 for that purpose and thus it goes to employees instead of the government. The retirement benefits must be on a reasonable percentage basis of salaries paid. The plan must not be a subterfuge, more for the benefit of stockholders than employees. When a plan is completed it can be submitted to Washington before being put into effect. If the government finds the scheme is primarily one to save money for stockholders, it will not likely get through. If the employees contribute, the benefit is subject to tax. In a pension trust or bonus plan, the control is vested in a trustee. The amount of premium is taxable so far as the life insurance feature is concerned. If it be an annuity, it is not taxable until the employee receives the benefit. Where an employee contributes he is taxed. Where an employer buys group life insurance his premium can be deducted as a business expense. Just what the tax situation will be so far as state inheritance taxes, are concerned, it is uncertain. The question whether annuity funds accumulated at death can be taxed is before the courts for adjudication.

COOPERATIVE SECURITY PLANS

The general theme of the Connecticut General Life convention was "Merchandising Security in Today's Expanding Market." One panel presided over by Vice-president J. M. Laird discussed "Cooperative Security" as a means of creating improved working relationships and giving more protection especially to employees. His associates were Secretary-Actuary E. C. Henderson, A. R. Johnson, home office agency assistant; Assistant Secretary M. H. Alvord, pension expert; Attorney F. P. McGuire; C. M. Eddy, secretary in charge of the group department and Manager N. K. Allison of Chicago.

J. M. Laird's Introduction

Vice-president Laird claimed it is the duty of government and employers to look more effectively after workers. Social security benefits are not adequate. Life insurance must step in and do its part. Group insurance and salary allotment are instruments for help and they are simple, pension trust plans are more limited in this group and more complex.

Mr. Henderson said that group insurance is mass protection but there are three plans where individual policies come into play: Contributory salary allotment, pension trust and bonus and profit sharing plan. These deal with a relatively large number of employees, there is an employer contribution with a prearranged formula for salary allotment, premiums are paid monthly. A particular kind of salary allotment can feature retirement benefits.

In the second or pension trust, the employee can not take any kind of policy he desires. Those uninsurable are given a retirement annuity.

In the third, the employees participating do not necessarily require a large group. The employer does not guarantee the same allotment every year. No employee contributes. The amount of the fund for bonuses varies according to profits made. An employer goes on the average amount over five years or so.

All three will inspire improved relations, the speaker believes. Knowledge and ability are needed to handle these cases. An agent should not depend on them. He should avoid the lower pay, less permanent concerns. Group life

and annuity, he said should feature retirement. Mr. Henderson said these cases must be exceptionally well written.

Mr. Johnson said the market is limited for these plans. An agent should have a sufficient selling edge to undertake them. Large national organizations have publicized these mass policies. An agent not qualified can lose much time in attempting to solicit these cases. Most cases are salary allotment which are not complicated.

There is a chance for income tax saving but an agent should not feature this. An agent should study his natural market.

Salary Allotment Cases

Mr. Johnson advised working on cases where the company has covered the more important men already. Try to get them to extend the plan. Organizations already carrying group are good prospects. The amount of employer contribution depends largely on what the employee can pay. As much personal data should be secured as possible. Salary allotment, he declared, is supplementary to group. Excellent prospects are private schools, charitable institutions, hospitals and the like.

Alvord on Pension Trusts

Mr. Alvord said that in groups of over 50, group annuities are advisable in a pension trust. By this trust plan, a definite unit of retirement is provided each year. It therefore takes cognizance of the depreciation of the human machine. During years of depression some plans provide for no additional units. One of the chief problems is dealing with past service, especially with older employees. Some employers set aside a fund for that purpose. Deduction can be made in income tax if made the same year the retirement allowance is paid. If employees leave the service they can collect the money paid in and the same applies for death. Any retirement plan is a long term proposition. It is not likely to be abandoned. It can be attached to a group life plan if desired. There is no standard type of pension trust. It must be tailor made.

Mr. Eddy referred to the American worker as living on a higher standard

ANALYZING THE MARKET OF TODAY

At the Connecticut General agency convention at Green Lake, W. G. Gastil, Los Angeles manager presided over the panel discussion on "Analyzing Today's Market." The market, he said, can be extended by gathering the right kind of information. An agent may approach a prospect for one kind of insurance and discover he is ready for others. The varied uses of insurance should be kept in mind. An agent should know all lines. He should build a complete home. He should be able to construct a house suitable for any client.

Roy Underwood on Simple Program

Roy Underwood, Long Beach, Calif., called attention to the new form of approach in later years. The old picture of death scenes, the graveyard and drawing the hearse to the door is pretty much discarded and yet life insurance continued to grow under such auspices. When the program idea took hold, the development was much greater. Now an agent gets a picture of what one wants to do and then sees how the prospect's pocket book can be fitted to it. The average, intelligent man in his vision wants an accident and health policy, clean up policy, one for the adjustment period, one for the adjustment period, one to keep the children in high school, educational policy for college, income for the widow during this time, protection for parents or other dependents, mortgage settlement, retirement income. This is his big program and he tries to complete it step by step. Mr. Underwood said: "There are 5,000,000 fewer people unemployed and hence there is more income. Many more women are wage earners, young

people are entering business. Agents develop by hard work. First we make our habits and then the habits make us."

Caldwell on Social Security

Rufus Caldwell, partner in the Dallas agency showed how he used social security benefits to write life insurance. He supplements this fund by life insurance. He said: "I can usually get a very favorable interview by working out the social security benefits. I discuss this and then get the idea of what the prospect wants in total income to meet the demands. Thus business is built and a program made. The social security act constitutes the great common meeting ground. Make a plain, simple plan to show what will be realized under social security act. Blend this with the minimum amount one needs to meet the demands."

"I often figure out a program for retirement at age 55, especially for women, under the act. Women are excellent prospects along this line. While I am doing this, I do not overlook the by-products. Using the social security basis, I can call back. It is a great avenue for approach."

Tyler on Well Arranged Program

H. W. Tyler of Des Moines urged a well coordinated and arranged program. It should be carefully planned. A policyholder is not receiving full service value unless his insurance is properly arranged. When a client is satisfied with what has been done for him he will become a valuable center of influence. The easiest prospect is one who has a program started but may need readjustment. Labor short-

age is calling for all sorts of technical men, engineers, experts who will be paid well.

H. Kennedy Nickell, Chicago, said in order to keep up his enthusiasm, he keeps in mind he is really writing insurance for women and children. He said more men realize the need for more income at age 65 and hence are preparing for old age income. Stress life insurance which means income. Mr. Nickell said:

"Large buyers have many problems and their situation may be complex. We should examine our ability to handle large cases. Preparation should be adequate. As a matter of fact if one is well equipped it takes no more effort to prod an elephant than a flea. The large buyer is usually very discriminating and intelligent in his purchase of insurance. Our calling is tending more and more toward a professional aspect. Experts are needed to take care of the higher income groups. The small buyer of today should not be overlooked for he becomes the large one of tomorrow. Agents not qualified for advanced underwriting should not undertake these large cases without expert help. The sky is the limit for insurance work. Professional insurance service is a philosophic one, a way of life. It is an advanced merchandising plan. Working on small cases prepares one for the large ones.

Plenty of Opportunity

"The national income 10 years ago was \$30,000,000,000 a year. Now it is \$90,000,000,000. Regardless of great national debt and high tax, it can go a lot further. There is plenty of income for life insurance. The potentialities in buying are still extensive. An estate should be developed along with life insurance. There is no such a thing as the average man for real success. He must be far above the average. One must do a lot of thinking and studying for a superior work. Don't make a peanut buyer out of a potentially large prospect. When he botches a life insurance program, he breeds prejudice against the institution. There will be more big business coming out of industry."

INCOME PROTECTION

Secretary George Goodwin declared that a solicitor should make accident and health insurance a part of one's personal insurance program. It provides income protection. The first line of defense should be bulwarked by accident and health protection. He said there is a material increase in people employed and their income should be safeguarded. The need varies according to individuals. The kind of coverage and amount should be suggested. The same general principles of programming used in life can be employed in accident and health. Every policy should meet some particular need. The market is unusually favorable now because there are many more prospects. Last year 80 percent of the accident and health policies sold by the company were on some reimbursement form.

Mr. Goodwin advised the attachment of the automobile rider. Last year the company paid \$500,000 in commissions on A. & H. business. "Competition," Mr. Goodwin said, "is just as afraid of you as you are of it."

View of the Medical Director

Dr. A. J. Robinson, medical director said that a real prospect is one who needs insurance, is able to keep up premium payments and who is insurable. Last year the American Service Bureau survey showed the average policy of its clients to have been \$2,100 while the Connecticut General was \$4,100. The records show one-third of its policies were for \$5,000 or more. The field of prospects has been widened in recent months, he said. There are many secondary benefits coming from

the defense program and important changes in economic status. This brings in many new buyers.

Dr. Robinson urged agents to use cases when death or disability occurred during the first policy year as business builders. There is an increasing number of deaths by accident. Last year 16 percent of the policies were sold to women, of whom 9 percent were married. This percentage, he asserted, was too low because women are the greatest beneficiaries and certainly know the value of protection.

Seeks Good Women Risks

Dr. Robinson said the company seeks good women risks. There should be no prejudice because they are women. Salary allotment cases showed a 40 percent increase the first six months. There has been a large increase in applications from key men and a greater demand for business insurance.

Continuing Dr. Robinson said: "We welcome the large applications on thoroughly good risks. There has been a decline of 50 percent in speculative buyers since 1932-4. A concern will often pay for the insurance on a specialist because he can not afford it.

There are a larger number of partnership cases being written on smaller enterprises. Where we have the accumulated record of impairment cases, we can often issue added insurance because of our knowledge.

"Small plants today are often dependent on one special man, engineer, chemical expert and the like. Management is in a mood to hold such men and will insure them. We find the larger producers have the lowest percentage of rejected cases.

"I look upon a conscientious, competent agent the same as a man does his family doctor. A patient will reveal all facts to a doctor because he believes in the physician. His professional knowledge, standing and experience build prestige. Too much technical knowledge, actuarial, legal or medical on part of an agent may impair a good salesman. But he should always be an able life insurance man. This is no time for hit and miss underwriting methods. Mortality very largely depends on the quality of a company's agents."

The continuous downpour of rain greatly handicapped outdoor life and sports.

Life Companies Lead in Tests for Hiring

(CONTINUED FROM PAGE 6)

example, reports that after its new salesmen have been on the job only three months it is possible to rate their future performance quite accurately.

On the other hand an electric equipment manufacturer states that he does not plan to compare test scores of new men with their sales record until they have been on the job four or five years. Another method of checking and developing tests is to administer them to men who have been on the job long enough to establish a stable record and then compare their performance ratings with test results.

Bureau, Steward Tests Lead

In the life insurance field the favorite tests which are especially adapted to the business appear to be the Life Insurance Sales Research Bureau's aptitude index, used by eight of the testing companies and Dr. Verne Steward's composite inventory and examination, which includes sections based on standard mental ability and personality tests, which is used by seven companies. Quite a few life companies apparently supplement the bureau and Steward tests by the Otis self-administering test of mental ability, the Strong vocational interest blank and the Bernreuter personality inventory. These are used by 16, 15, and 12 respectively of the test-using companies and were the only ones which exceeded the special life insurance tests in number of companies using them.

In addition there is the highly specialized testing program worked out by the Metropolitan Life with the aid of the Psychological Corporation. While neither the Metropolitan nor the Psychological Corporation is identified in the reference, the report states that "one life insurance company with the aid of an outside professional service spent five years in the development of its program. Tests were first introduced in 1939 and the program has now been established in three-fourths of the sales districts. In the near future the remaining districts will be included in the plan." This clearly points to the Metropolitan.

Weeding Out is Big Role

Experience of test-using firms, whether inside or outside the insurance business, confirms the belief that tests are more valuable as a means of weeding out probable failures than in picking out those who will be unusually successful. As one insurance company is quoted in the survey:

"We have suggested that our general agents use tests for rejection rather

than selection. A low score probably means lack of aptitude for our business but a high score does not by any means guarantee success. There are other important factors that can't be measured. Tests cannot take the place of common sense and good judgment."

There is extremely wide variation in the weight that is given to tests in determining whether a man shall be hired or not. Some firms give practically no weight to the test score, others give as high as 75 percent.

History Blanks Valuable

Use of scored history blanks as well as tests is especially prevalent in the life insurance business because of the Sales Research Bureau's aptitude index. This index has been adopted by eight of the companies contributing to the survey. The report terms the index a combination aptitude test and personal history rating.

A life company which revised its personal history rating blanks several years ago gave a detailed description of its use and the method of scoring. It reported that while no scoring system has yet been devised which will predict absolute success or failure and that there will always be need for careful judgment on the part of the manager, results of the study indicate that if all prospective salesmen who fall in the low-score groups are eliminated the likelihood of losing a potential success is almost nil. On the other hand it was found that if a high-score man makes a favorable impression on the manager and is rated well in reports and references a manager is usually quite safe in taking him on. Experience further indicated that the borderline man requires very careful consideration before being accepted.

Included in the American Management report are eight companies that discontinued the use of tests because of dissatisfaction with results. However, four of these concerns are now reconsidering their use.

Capitol Life Football Contest

The field force of Capitol Life has launched a two-month football campaign in honor of President Clarence J. Daly. Each agency constitutes a team, team being matched against team as evenly as possible, with seven brackets of four teams each for a conference "play-off." Winning team in each will receive a plaque. The individual producers are assigned a quota and the position they play on the team is based on the quota.

Series of Regionals Initiated at Rally

(CONTINUED FROM PAGE 6)

vision to get his estate out at a high point. He counseled not to fear going before directors with properly-prepared presentations, provided necessary facts about the business have been secured and a professional job of arranging the insurance has been done.

Estates Facing Hazard

Mr. Goodrich told the great value of making an inventory of the prospect's estate, on the basis of probable government valuation for estate and income taxes. Frequently, he said, this is a compelling way to show clearly how vulnerable even large and fairly liquid estates may be. After discussing the various methods of valuation in use, he pointed out that tax requirements easily can consume the heart of the estate on which the prospect had been depending, and leave only a very speculative business interest for the family.

All speakers at the business insurance meeting emphasized the change now taking place in the relative positions of capital, management, and labor in our economy. This change, in giving more weight to management and labor at the expense of invested capital, is throwing into even greater prominence the necessity for the business man to arrange for the sale of his interest for a reasonable price at his death, and to provide for his dependents other resources than an orphaned investment in a speculative enterprise.

Social Security Opportunities

W. C. Gentry spoke on sales opportunities opened up by social security. He called the act an "economic revolution which will change life for us more than their Revolution changed life for the Colonists. It is our job," he said, "first to convince ourselves of the importance of this revolution and then to impress that importance on our clients."

Many excellent ideas were developed in the quiz and panel discussion on prospecting methods. The experts seemed predominantly in favor of the "referred lead" method, although there were many variations proposed. An interesting approach was demonstrated by R. T. Willis, Manchester, N. H., who showed how he reversed the usual procedure by first deciding on a likely prospect and then asking for information about him from others in a position to be of helpful influence. It requires a large acquaintanceship and considerable preliminary scouting.

Cold Prospecting Discussed

R. C. Peterson, Worcester, and G. C. Henley, Providence, discussed methods of "cold" prospecting which they have found successful. Mr. Peterson combines study of newspapers' personal items, followed up according to a carefully developed time-schedule, with background information found in assessors' lists. Both emphasized the importance of working the law of overages.

Answers to the question "What class of prospects have you found best for immediate business this year?" developed that most of the usual classes are still productive of sales, and here again the personal equation determines the most fertile field for the individual agent. Proprietors of small businesses whose profits are running higher, professional men whose collections are the best in many years, junior executives who are rising rapidly, shipping and lumber businessmen, were among the types mentioned.

In reply to the question "What do you say when the busy prospect says 'I'm not going to buy more insurance now because of the increase in the income tax?'" W. S. Cobb, Jr., stated he puts two questions to the prospect.

Give the Credit to the Field!

... for their splendid cooperation in Home Life's drive towards its objectives!

An Open Letter in Tribute to Home Life's Field Force from President Fulton.

Those of you whose Home Life careers began in 1927 or before will remember the decision of the management that our Company's opportunity for usefulness to the insuring public, and for the advancement of those associated with it, lay in becoming a **QUALITY** rather than a **QUANTITY** organization.

Rather than make *volume* of business our primary objective, we aimed at a quality of service and accomplishment which would be outstanding in the field of American life insurance. That we have progressed a long way toward our objective since 1927 is shown by the table on this page.

This table serves as a yardstick — as proof that *concentrated effort on definite methods of operation can and will show definite results over a period of time.*

It goes without saying that whatever progress we have shown in the drive toward our objectives is in large measure due to the splendid cooperation by our Field Force.

We have accordingly taken this means of publicly acknowledging our appreciation for the efforts of Home Life's Field Underwriters. Our heartiest congratulations to them all!

James H. Fulton
PRESIDENT.

COMPARES WITH THE 21 LARGEST

COMPANY	YEAR COMPANY FOUNDED ^T	FACTORS WHICH INDICATE SOUND		
		NEW BUSINESS		GAIN OF
		NEW INS. PAID FOR AS % OF INS. IN FORCE AT THE BEGINNING OF YEAR *	AVE. NEW INS. PD. FOR DURING 5 YEAR PERIOD AS % OF AVE. INS. IN FORCE DURING PERIOD	GAIN OF INS. AS % OF INS. IN FORCE AT THE BEGINNING OF THE YEAR *
COMPANY A	1850		Third	
" B	1879			
" C	1865	Third	Second	
" D	1846	Second		FIRST ^{TIE}
" E	1867			
" F	1859			
" G	1878			
" H	1860			
HOME LIFE	1860	FIRST	FIRST	FIRST ^{TIE}
		10.7%	10.4%	4.1%
COMPANY I	1851			
" J	1845			
" K	1843			
" L	1850			Third
" M	1835			
" N	1845			
" O	1858			
" P	1847			
" Q	1851			
" R	1865			
" S	1845			
" T	1866			
" U	1867			
22 COMPANIES		6.6%	7.2%	1.0%

^T - From Spectator Compendium
* - Group Insurance Excluded in Determining Standing

Companies Writing Industrial Insurance Excluded)

Important Factors Affecting Growth and Cost

First he asks how much would the prospect's standard of living be affected by a 10 percent cut in salary, and the reply is usually, "Not a great deal." Then Mr. Cobb continues, "With an anticipated increase in these taxes of only 5 percent, it wouldn't cause much present hardship to use the other 5 percent for insurance, would it?" Even if these questions don't lead logically to a sale they usually put the prospect in a better frame of mind.

Answering the same question, H. G. Todd pointed out that since income taxes will upset many plans for accumulating estates through other channels, the way is open for using insurance to build the estate for a present outlay of only a small premium.

French Lick, Ind., Gathering

Another regional is in progress this week at French Lick Springs, Ind., attended by agents of north-central states. Among agency members taking active part in the business sessions are E. B. Thurman, Chicago general agent, "Heritage of a Hundred Years;" D. O. McLeran, St. Paul general agent, "Social Security—Springboard to Sales;" G. W. Gerhold, Parkersburg, W. Va., "Career Underwriting;" and B. H. Micou, of Detroit, and J. C. Saltzstein, Milwaukee, business insurance.

There also was scheduled a panel discussion on prospecting, led by G. D. Randolph, Cincinnati general agent. The board of experts includes C. R. Hermes, Fowler agency, Chicago; F. J. Lodge, Swanson agency, Chicago; O. S. Rome, Meyer agency, Chicago; L. M. Buckley, Thurman agency, Chicago; J. R. Love, general agent, Peoria; B. S. Taylor, Cincinnati; H. J. Quinlan, Cleveland; C. A. Corwin, Columbus, O.; F. W. Lindow, Toledo; F. E. Dillon, Minneapolis; H. D. Wheeler, St. Paul; H. N. Bonar, Parkersburg; W. H. Strahan, Detroit; N. R. Mier, Indianapolis; B. W. Bourne, of Louisville, and L. S. Wolfe, Milwaukee.

Superintendent Lloyd Talks

The dinner Friday evening will be addressed by Vice-president Hunt who will preside. Superintendent J. A. Lloyd of Ohio will talk, and also Julius H. Meyer, Chicago general agent. A sound film, "Building with New England Mutual," showing construction of the home office, will be exhibited.

Other members of the home office staff taking part include Financial Secretary Hall, Actuary Stearns, Mr. Tibbott, Agency Secretary Collins; Dr. Frederick R. Brown, associate medical director, and Everett C. Lewis, executive underwriter.

Many Company Affairs Arranged for Cincinnati

(CONTINUED FROM PAGE 1)

New England Mutual—Reception and dinner Sept. 17, Queen City Club; G. L. Hunt, vice-president; C. F. Collins, agency secretary; G. D. Randolph, general agent. Attendance 100.

Northwestern Mutual—Reception at home of W. J. Mack and dinner Sept. 17, Netherland Plaza; Grant L. Hill, director of agencies; L. J. Evans, Warren Lundgren and Laflin Jones, assistant directors of agencies; John Jamison, director field training; W. J. Mack, general agent. Attendance 100.

Northwestern National—Reception and dinner Sept. 19, at North Bend Inn; O. J. Arnold, president; H. A. Atwood, agency secretary; C. A. Peterson, superintendent of agencies; Allan Kennedy, assistant secretary. T. M. Herman, general agent. Attendance 75.

Ohio State Life—Dinner Sept. 17, Hotel Gibson; Claris Adams, president; F. L. Barnes, vice-president; T. T. McClintock, supervisor of field service. J. C. McFarland, general agent. Attendance 30.

Ohio National—Dinner, Sept. 17, Netherland Plaza; T. W. Appleby,

president; John H. Evans, vice-president; E. E. Kirkpatrick, superintendent of agencies; Grant Westgate, assistant superintendent of agencies; A. W. Theiss, manager sales promotion.

Mutual Trust—Luncheon Sept. 16, place to be announced; A. B. Slattengren, vice-president; David Dawson, supervisor for Michigan, Ohio, Indiana. W. J. F. Roll, general agent.

Occidental Life—Dinner, Sept. 17, Netherland Plaza; Roy Belknap, director of agencies; C. G. Walsh, controller; L. J. Dougherty, vice-president; George Shipley, agency supervisor; Max Abrams, general agent.

* * *

Pacific Mutual—Reception and dinner Sept. 17, Cincinnati Club; W. M. Rothaermel, vice-president in charge of agencies; Jens Smith, manager of agencies. J. M. Gantz, general agent.

Penn Mutual—Luncheon, Sept. 18, Hotel Gibson; John A. Stevenson, president; Eric Johnson, vice-president. J. D. Grannis, general agent. Attendance 70.

Phoenix Mutual—Breakfast, Sept. 17, Netherland Plaza; D. Gordon Hunter, vice-president and agency manager; J. A. Giffin, assistant agency manager; R. J. Dolwich, supervisor of agencies; Paul Zerrahn, agency assistant. P. C. Bake, manager.

Prudential—Managers' meeting, northern division, Sept. 15, Hotel Gibson, all day. Reception and dinner Sept. 17, Hotel Gibson; George H. Chace, first vice-president; T. D. Miller, supervisor. R. Q. Milstead, manager.

* * *

Reliance Life—Luncheon Sept. 17, Cincinnati department, home office executives and managers, Hotel Gibson; managers dinner Sept. 17, Hotel Gibson; J. N. Jamison, executive vice-president; H. T. Burnett, vice-president and agency director; J. F. Johns, superintendent of agencies eastern division; Glenn Lamar, superintendent of agencies southern division. R. C. O'Connor, manager.

State Mutual, Mass.—Dinner, Sept. 17, Netherland Plaza; Stephen Ireland, vice-president and superintendent of agencies; R. H. Denny, director of agencies; J. E. Stone, Jr., agency supervisor; C. R. Litsheim, agency supervisor. L. B. Scheuer, general agent.

Union Central—Reception and dinner Sept. 17, Pavilion Caprice, Netherland Plaza; W. H. Cox, president; W. F. Hanselman, superintendent of agencies; K. D. Hamer, Harry Shaffer, H. P. Winter, assistant superintendents of agencies. J. C. Benson, manager. Attendance 350.

* * *

Sun Life, Canada—Informal. E. P. Higgins, superintendent of sales promotion. M. M. Gatch, branch manager.

It will be noted that most of the company affairs have been arranged so as to fall immediately prior to the president's reception and ball Wednesday evening.

NORTHWESTERN NATIONAL GROUP

Part of the delegation representing Northwestern National Life at the N.A.L.U. convention will be 20 who, as winners in a two-months' company-wide contest ended Sept. 2, will attend with all expenses paid. During their stay, they will be guests of President O. J. Arnold at several functions in their honor.

General agents and managers who will be guests of the company as a result of the high ranking of their agencies in the contest are: Homer G. Hewitt, Texas state manager; Eric J. Wilson, general agent at Seattle; Watt Graham, manager at Little Rock, and R. L. Hill, general agent at Evansville, Ind.

MANAGERS PLAN PARTY

CINCINNATI—The Associated Life General Agents & Managers of Cincinnati will be host to special guests, committee chairmen, and past presidents and officers of the National Association of Life Underwriters Sept. 14 at 7 p. m. at the Burger Brewing Company.

Surrender Privileges Are Suspended in Quebec in Light of Recent Decision

MONTREAL—George W. Bourke, actuary Sun Life and president Canadian Life Insurance Officers Association, has announced that pending clarification of the law in connection with a recent judgment by the court of king's bench, appeal side, all life companies have suspended all loan and surrender value privileges in the province of Quebec where the wife is the assured's beneficiary. The decision will not affect any other province.

According to Mr. Bourke, the judgment held that neither husband nor wife, acting either singly or jointly may properly obtain loans or draw advance payments or surrender values on life insurance policies in which the wife of the assured is the beneficiary.

It was contended by the life insurance officers' president that an amendment to the husband and parent's life insurance act (Quebec, 1878) was required and that the provincial authorities had been advised of this.

Expect Action in Legislature

J. Arthur Mathewson, provincial treasurer, stated that the "Quebec provincial government will not hesitate to take such action in the matter as may be necessary to see that justice will be done and that no lasting harm come to those who are innocent victims of a misunderstanding. The question may come before the forthcoming session of the Quebec legislature."

In the case which brought about the action the beneficiary sued for the full face value of her husband's \$50,000 policy. Prior to her husband's death, more than \$10,000 had been borrowed on the policy, the wife applying for and signing for the loan. The policy later lapsed because the loan had eaten into accumulated reserves. The court ruled that the company erred in lending the money on the wife's signature alone without her husband's and ordered payment of the face value of the policy.

Roy Ray Roberts Embarks on Busy Two Weeks

Roy Ray Roberts, general agent State Mutual Life at Los Angeles, has left, by plane, for Cincinnati to attend the convention of the National Association of Life Underwriters.

He will stop in Oklahoma City, Tulsa, and Little Rock, to address each of these associations on "Hitting the Mark." For many years Mr. Roberts has been active in fostering life insurance education for the public, primarily in secondary schools. His subject will include a discussion of recent trends of National association affairs; sales ideas for the average underwriter; and life insurance education in the schools.

At the convention he will participate in the model program being put on by the Los Angeles Managers Club, Tuesday evening.

During the convention an important discussion will be held regarding the text prepared under the direction of Mr. Roberts on "Consumer Economics," including life insurance. This material will be published in the fall of 1942. Dr. Huebner will write the preface, and the book will be dedicated to him. Some of the important personalities who will participate in the discussion will be Holgar Johnson, Dr. Huebner, John Witherspoon, Wilfrid Jones, and Earl Colborn.

Insurance Men on Kiwanis Board

Frank L. Barnes, agency vice-president of Ohio State Life; Paul E. Buehler, Beacon Mutual Indemnity, and Charles L. Converse of the Charles L. Converse Insurance Agency have been nominated for directors of the Columbus Kiwanis Club.

Reliance Life Agents Sell \$10,667,000 in Braun Month

Reliance Life agents in August, "President's Month," honoring President Arthur E. Braun, had a production of \$10,667,081 life, accident and health insurance written and examined. There were 388 agents each of whom wrote a minimum of \$10,000 and 94 employees were responsible for at least one sale during the month.

The home office division secured 122 percent of quota, eastern division 119.8 percent and southern division 108.6 percent, for a company average of 115.7 percent.

The Cincinnati department led with 177.2 percent of quota, south Texas, 150.2; Illinois, 147; National capital, 143.6, and Mississippi, and Kentucky each slightly over 135 percent. Nineteen field departments exceeded their August quotas.

Six agents wrote more than \$100,000 each, these being: List Edmiston, Mississippi, \$132,884; V. R. Janc, of the W. C. Peck branch, Chicago, \$116,139; G. W. Isgrig, Cincinnati, \$106,901; C. S. Shoemaker, West Pennsylvania, \$102,143; O. W. Guerrant, Hilliard, \$101,733, and F. A. O'Neal of Florida, \$101,173. Mr. Edmiston is a first year appointee.

This was the second largest August production since Braun month was inaugurated in 1933 and showed a gain of \$2,533,666 over August, 1940, with 63 more agents and 25 more employees participating.

Three Cammack Presidents

Charles W. Cammack, general agent of John Hancock Mutual, is the third Cammack to serve as president of the Huntington, W. Va., Association of Life Underwriters. His son, H. H. Cammack, now general agent at Charleston, was president at one time. C. W. Cammack, Jr., associate general agent at Huntington, was president in 1936. Mr. Cammack, Sr., will have completed 50 years with John Hancock next February.

Tribute to W. B. Pirnie

BOSTON—W. Bruce Pirnie, who made the unusual record of writing \$1,000,000 in paid business the first year he entered life insurance two years ago, was welcomed to the ranks of general agents in Boston at a luncheon. He will have charge of a third agency of the Massachusetts Mutual Life in Boston, at 53 State street. Previously Mr. Pirnie had cleared his business through the Massachusetts Mutual general agency in Providence, R. I. of which his brother, Roderick Pirnie, is general agent. He is a Harvard graduate, 1915, and served in the world war as company commander.

Vice-president J. C. Behan of the Massachusetts Mutual presided at the luncheon, which was attended by about 100 company officials, general agents and bank men. Commissioner Harrington was present as were President Guy W. Cox of the John Hancock, Vice-president John J. Howe of the Columbian National, E. Lloyd Mallon, assistant secretary Massachusetts Mutual, President George P. Smith of the General Agents & Life Managers Association and President Owen D. Murphy of the Boston Life Underwriters Association.

Smith Entertained on Coast

LOS ANGELES—General Agent Albert E. Payton of the New England Mutual Life was host to President George Willard Smith at a breakfast attended by members of both the Payton and Hays & Bradstreet agencies.

Mr. Smith stopped off in Los Angeles on his way to Yosemite National Park, where he will preside over the regional meeting of agents from Seattle, Portland, San Francisco, Oakland and the two Los Angeles agencies.

Test Views of Agents on Selection of Option

Warner Wilson, president of the Cincinnati Life Underwriters' Association, is continuing his campaign for simplicity of programming. He feels that if the companies would accept a few simple, uniform option agreements they would fit three-quarters of the situations an agent has to cover. The work of the agent would thus be greatly reduced on each case and his time would be free for more selling. He also feels that there would be a tendency to standardize on simple settlements because that would be so easy, and a lot of the time and complications wasted at present would still further help the agent devote himself to selling.

One obstacle to uniformity is the refusal of certain companies to allow a beneficiary to make changes after the policy has been matured by death of the insured. As a test of the opinion of agents on what is desirable for the widow there was distributed at a recent meeting of the Cincinnati Life Underwriters Association a questionnaire on which one of three options the agents would recommend in a given case. There were 160 persons present and 143 answered the questionnaire. Five favored No. 1 in the questionnaire here-with, six favored No. 2, while 132 approved of option No. 3. The questionnaire is as follows:

Questionnaire That Was Used

"If your sister had just become a widow, with a son now age 13, and a daughter now age 1, and she told you she needs \$150 monthly until the children are grown, and asks you to help her to make the one choice of the three settlement plans best suited to her needs, which one would you advise her to select?

"1. \$150 monthly for 20 years (until children were aged 33/31) and no life income?

"2. \$106 monthly for life, with payments certain for 10 years?

"3. \$150 monthly until the children are grown (children then aged 23/21), thereafter, \$75 monthly for life?"

The point of the questionnaire is that the insured may die when the children are any age before majority, and the number of years the widow will need the maximum income cannot be determined in advance. It is not sound to compel her to take the maximum income after the children are adults, and then lose all income. When the children become adults she should be able to use the rest of the money for a life income, however small.

Hong Kong Business Off

Life insurance in and about Hong Kong, China, is off more than 50 percent since the Japanese launched their war activities in that part of the world, according to Eric Mitchell, manager in that city for Manufacturers Life of Canada. En route back to his headquarters after a holiday in the United States and Canada, Mr. Mitchell was in San Francisco the past week and attended a meeting of the General Agents & Managers Association. A colonel in the Hong Kong Civil Defense Corps, Mr. Mitchell said practically the entire population has been in training for the past three years to meet an attack by the Japanese. He believes now, however, that more recent developments have discouraged the Japanese in whatever plans they might have had for increasing their military assaults on Hong Kong and other Chinese cities inhabited by thousands of Americans and British.

Isadore Samuels, general agent for New England Mutual at Denver, has been named as state chairman to take charge of the payroll allotment plan in Colorado in connection with the sale of defense savings bonds.

Round Table Members Enjoy French Lick Outing

Members of the Million Dollar Round Table are gathering at French Lick Springs, Ind., this weekend for their annual pre-convention outing. Although this is primarily an occasion for sociability and fellowship, the big producers will have a session on Sunday with Denis B. Maduro, counsel for the New York City Life Underwriters Association, on business insurance matters. At noon Sunday there will be a barbecue dinner under the trees. Saturday evening the group will be the guests of Lincoln National Life with Vice-presidents A. L. Dern and C. F. Cross as the official representatives. The outing is in general charge of R. P. Burroughs, National Life, Manchester, N. H., vice-chairman of the round table, who is scheduled to succeed H. K. Nickell, Connecticut General, Chicago, as the new chairman.

On Monday, the group will head for Cincinnati for the meeting of the National Association of Life Underwriters and the formal session of the round table on Tuesday.

Hedges' Men Win Cincinnati Trip

Five producers with the Bert A. Hedges agency of Business Men's Assurance, Wichita, two of them first-year men, have qualified in a sales contest for an all-expense trip to the Cincinnati national convention. They are E. E. Van Dorsten, Newton; Harold Litsey, Harper; Robert Price, Douglas; Ray Haney and Mr. Hedges of Wichita. Van Dorsten and Haney are the first year men. August production for the agency exceeded all 10 previous Augusts that it has been operating.

Bankers of Iowa Leaders

The F. C. Wigginton agency of Bankers Life of Iowa in Pittsburgh topped all agencies for paid business in August. The C. O. Falkenhainer agency, New York City, was second; L. W. Spickard, Milwaukee, third; F. W. Darling, Cedar Rapids, fourth, and R. E. Shay, Minneapolis and St. Paul, fifth.

Russell N. Y. Federation Speaker

President F. D. Russell of Security Mutual Life of Binghamton will be one of the speakers at the convention of the Insurance Federation of New York in Rochester Sept. 19-20. He will address the banquet session. The balance of the program is devoted largely to the fire-casualty interests.

New Escheat Rules in Mich.

The National Board of Fire Underwriters bulletined members on a new Michigan escheat law amendment. It is now necessary that every person, firm or corporation make report on June 30 of each year, of any "deposit" (i.e., money, credits, securities, liquidated choses in action or property of any kind or nature) held for another person, where no dealings or transactions have been had with such other person with respect to any money, credits, securities or property for a period of seven years or more. A notice in writing to keep a "deposit" alive is declared by the statute to be a transaction. The report is required whether the owner of the property be living or dead.

Due to delay in the preparation of forms and copies of the law, the Michigan board of escheats will accept reports for the current year at this time. There are penalties for failure to file, and it is suggested that companies search their records, and if a report is due that it be made on the form prepared by the board of escheats.

Correct Dates for Actuaries

The dates for the fall meeting of the American Institute of Actuaries in Chicago are Nov. 6-7. The dates that were given in last week's edition are incorrect.

Insurers Hold 20% of FHA Mortgages

FHA mortgages in the portfolios of life companies now amount to \$601,262,000, according to the Institute of Life Insurance. The companies increased their FHA holdings by \$107,463,000 during the first six months of this year. In addition the life companies hold FHA mortgages on 167 rental housing projects for a total of \$74,664,000.

The total holdings of FHA home mortgages represent housing for about 550,000 persons and the housing projects represent housing for 70,000 persons.

The life companies hold 20 percent of all FHA home mortgages and have financed 70 percent of all the housing projects undertaken under the FHA.

Zimmer to Penn Mutual

Robert K. Zimmer, formerly with Pacific Mutual Life, has been appointed associate general agent of Penn Mutual Life in Columbus, O. R. P. Gygli is general agent. Mr. Zimmer is a former president of the Columbus Association of Life Underwriters.

Becomes Modern Life Executive

Arthur E. Reiter has become executive vice-president and secretary of Modern Life of Winona, Minn. Mr. Reiter is a director and former president of the Rochester Grocery Company, Rochester, Minn.

G. D. Babbitt has resigned as actuary of Modern Life and is now in the liquidating department of the California insurance department at Los Angeles.

Hord Named at St. Joseph, Mo.

Franklin Life appointed E. F. Hord general agent for northeast Missouri and northwest Kansas, with headquarters in the Kirkpatrick building, St. Joseph, Mo. He has a record of unbroken consecutive personal weekly production for over 15 years, and is one of the outstanding general agents of his section.

Nye Agency Conference

The H. A. Nye agency of Equitable Society in Colorado, held its annual educational conference at Manitou Springs, Col., with 25 agents and their wives in attendance. During the six week qualification period, 300 cases for nearly \$1,000,000 were produced. Nine of the qualifiers were new men with the agency less than 10 months. A. M. Embry, general manager at Kansas City, represented the home office. He stressed the opportunity of the present day markets and the challenge and responsibility of the present times. Dean Wesley Gadd of Colorado College spoke on the favorable position life agents will have during the next decade.

The Nye agency has shown a substantial gain in production of ordinary group and annuities for last year and four agents have qualified for the Equitable's group millionaires club. The agency ranks ninth in the company.

Van Schaick and Lloyd Slated

George S. Van Schaick, vice-president of New York Life, and Superintendent John A. Lloyd of Ohio are among the speakers scheduled for the meeting of the Mortgage Bankers Association of America, in New York Oct. 2.

Cashier Can Aid Agents

SAN ANTONIO, TEX. — Services which cashiers can render agents were reviewed before the San Antonio Life Cashiers Association by O. L. Butler. When a policyholder comes in and asks to surrender a policy for its cash value, the cashier can assist in conserving the business. He can also aid in regard to changes of beneficiary.

Nolley Agency Is Victor in "Southern Feud" Contest

The W. Tolar Nolley agency of Richmond, Va., won top honors in the annual "Southern Feud" contest of Northwestern Mutual Life between Virginia, Tennessee, North Carolina and Georgia. Representing Virginia, the Nolley agency paid for approximately a million dollars of business on 172 lives. The silver cup trophy passes to Virginia from Tennessee, which won it last year. Virginia now has two legs on the cup. To get permanent possession, it must be won three times.

The victory was celebrated for three days at Princess Anne Country Club, Virginia Beach, the three leaders in each of the four competing agencies being honored. M. J. Cleary, president, and Ralph W. Emerson, assistant director of agencies, made a special trip from the home office to participate.

Mortgage Investments 23% Ahead of Last Year

Life companies currently are investing about 23 percent more in mortgages than they were a year ago, the Mortgage Bankers Association of America estimates. The companies are investing about \$2,721,854 every business day in these liens. The Mortgage Bankers Association attributes the increase to the higher urban building activity and the improving position of farm mortgages. The average mortgage is estimated at about \$2,848, and insurance company funds were responsible for about 144,389 mortgages during the first six months of this year.

Benefit Societies Change Basis

ST. PAUL—An indication that assessment benefit associations in Minnesota are seeking to get on a better actuarial basis is seen in the action of the Pioneer Mutual Life, Gopher State Life and Industrial & Agricultural Benefit Association in filing amendments which divide their membership into two classes and establish maximum benefits for each group. In Group 1, benefits range from \$100 at age 1 to \$1,000 at ages 10-45, then recede gradually to \$300 at ages 61-65. In Group 2, benefits start at \$200, age 1, rise to \$1,000 at ages 5-42, then recede to \$100 at 70.

Assessment associations have been under the close scrutiny of the Minnesota department for several years and some of them have been found to be operating on a precarious basis.

Set Institute Examination Dates

J. G. Parker, general manager and actuary Imperial Life of Toronto, and supervisor in Toronto for the Institute of Actuaries of England, reports that institute examinations will be held April 27 to May 2, 1942. Owing to postal delays it has been found necessary to require candidates to give 15 weeks' notice of their intention to sit.

Colonial Life Promotions

Colonial Life has promoted four fieldmen. C. J. Parsons, Syracuse, N. Y.; Valentine Luczak, Charleroi, Pa.; Joseph Calbert, Jersey City, and J. J. Kinane, Syracuse, all become assistant managers.

Chase Wanglin, who has operated an agency in West Los Angeles, has been appointed associate general agent for the Penn Mutual Life there, by General Agent Fred M. McMillan of Los Angeles. He will devote his entire time to the Penn Mutual.

George F. Limback, agency secretary of West Coast Life, who observed his 35th anniversary with the company in July, is confined to his home in Oakland, Cal., seriously ill. It is expected that it will be many weeks before he will have recovered sufficiently to return to his desk.

Research Bureau Pension Plan Study

(CONTINUED FROM PAGE 1)

portant to study the matter carefully from the point of view of that company and its field force and determine what modifications are necessary to uphold the above principles of coordination."

An early section of the report discusses the purpose of pensioning agents. Emphasis is placed on the importance of fully defining objectives before attempting to construct a pension plan, for the committee believes that "many of the problems encountered in determining the details of a pension plan originate in lack of understanding of the end in view."

Digest of Discussion

The body of the report is devoted to a discussion of the various points that need to be considered in constructing a pension plan. The Research Bureau has prepared the following digest of this discussion.

The first decision to be made whether the plan is to be a contributory plan (to which both the agent and the company contribute), a noncontributory plan (to which the agent does not contribute), or a special or mixed plan. No further attention has been devoted to the special or mixed plans since there are very few of this type and they have been developed to suit the special needs of the individual agency.

As between contributory and non-contributory plans each has a number of advantages and disadvantages. Since the agent bears a portion of the cost under a contributory plan, it is normally possible to provide a larger pension than on a noncontributory basis. It is expensive to provide adequate pensions by adding a noncontributory plan to an existing compensation arrangement.

Most Canadian plans and many of the early plans in the United States companies have been non-contributory. However, practically all recent plans in the United States are contributory, indicating a definite trend toward this type.

The remainder of this discussion is devoted to the problems that arise during the construction of a contributory pension plan.

Bases of Contributions

There are a number of bases on which agents' contributions may be made. Although total commissions is the most popular basis, four others are in actual use and each one has certain advantages. These four are: renewal commissions, certain renewal premiums, new premiums or commissions, and insurance in force.

After the agent's contribution for a particular year has been determined, two methods are available for handling the company contribution. In method I the company contribution is usually equal to the agent's contribution. In method II the company rate of contribution increases with the attained age of the agent to fit a definite benefit formula, and the amount of the company contribution differs from the agent's contribution. The benefit is related to the agent's contribution, and as the agent becomes older the company puts in a relatively larger portion of the cost of the benefit. Illustrative tables included in the report help to make clear the distinction between these two methods.

Most of the plans recently adopted in the United States are on the method I basis.

Might Commute Renewals

Judging from the relatively wide range in size of benefits granted under existing plans, opinions differ as to the level of pension which is adequate. In estimating the adequacy of any plan, the size and number of renewal commissions payable to the pensioned agent must be considered.

Assuming that the pensioned agent

would write a declining volume of new business, renewal commissions would decrease rapidly after pension payments begin. However, renewal commissions due after attainment of pension age might be commuted and replaced by some form of annuity, preferably a cash refund annuity.

A serious problem is posed by those agents who are of advanced age and with long service at the time the plan is introduced. Each company must decide to what extent it will try to provide adequate pensions for this group. If the social security act should be modified to include agents under the old age benefit portion of the act the problem of providing past service credit and of giving an adequate pension to agents contracted at advanced ages would be greatly alleviated. The committee is in favor of the inclusion of commission agents under this portion of the act, with appropriate limitations such as those outlined in their news release several months ago.

Any pension plan should be kept entirely separate from financing. There is no justification for making loans against the benefits accumulated in the pension plan.

After the general type of plan has been selected and the general characteristics decided upon, there remain the specific details which combine to form the completed plan. The committee has studied these details primarily from the viewpoint of a contributory plan set up on the method I basis as already described. The balance of the report is devoted to this phase of the committee's study.

Sixty-five is set as the normal pension age in a majority of existing plans. Although it may be desirable in some cases to permit an earlier pension age, it must be remembered that early retirement reduces the pension considerably. Concerning late retirement it seems unwise to offer inducements to agents to defer their pensions far beyond the normal age.

MUST BE REASONABLE

A fundamental principle to be remembered in setting up requirements is that they must be within reasonable reach of the ability of the average agent. If they are made so difficult that many agents are unable to meet them, the effectiveness of a plan will be seriously impaired. The most common participation requirements concern type of contract, length of service, age, and performance.

Usual procedure is to offer a normal form of benefit supplemented by several optional forms. The three main types are a cash refund annuity, a straight life annuity, and a joint and survivor annuity. A modified cash refund annuity is a desirable normal form of benefit. If death occurs soon after retirement, there is left for the beneficiary the difference between the agent's accumulations at the time the pension started and the total annuity payments already made.

When the agent dies before attaining pension age, most companies return his contributions with interest. Some plans provide a larger death benefit.

Withdrawal benefits present difficult problems since liberality at this point may make it necessary to reduce the size of pension granted to the average man who remains with the company. The minimum that can be returned at withdrawal is the agent's contributions without interest, but practically all plans provide for their return with interest. Most of the early plans made no provision for vesting the company portion of the pension, but there seems to be a growing feeling that some vesting should be made, graded by length

of service. The committee feels that this matter should be considered simultaneously with the question of vested commissions. In a company with renewals fully vested at withdrawal, it seems that at most a limited vested privilege on the pensions should be used.

Disability Benefits

Existing plans have provided a benefit for total and permanent disability based on the accumulated amount of the agent's contribution, and some companies also add the accumulated amount of the company's contributions.

In concluding the report, the committee summarized its general attitude toward pensions for agents in the following manner:

"The committee favors the general adoption of pension plans for agents to the extent that this is financially and legally possible. It is recognized that the company contributions form a part of the expenses of operation but this direct cost is not the entire picture. A pension plan well constructed, integrated with proper compensation methods, and fitted into a program for the better selection, better training, and better supervision of agents should certainly benefit the company and its policyholders for the reason that such a program must inevitably lead to improved efficiency, lower overhead, less turnover, and higher morale among agents."

Expect Hot Contest for N. A. L. U. Offices

(CONTINUED FROM PAGE 1)

E. L. Allison, broker, Tulsa.
Clancy D. Connell, Provident Mutual, New York.

W. W. Hartshorn, Metropolitan Life, Hartford.

Philip B. Hobbs, Equitable Society, Chicago.

Ralph W. Hoyer, John Hancock Mutual Life, Columbus, O.

W. Rankin Furey, Berkshire Life, Pittsburgh.

Howard C. Lawrence, Lincoln National Life, Newark.

Thomas B. Reed, Great Southern Life, Oklahoma City.

Homer Rogers, Equitable Society, Indianapolis.

Brigham Deflates Inflation Specter

(CONTINUED FROM PAGE 2)

supply the demand because of intense competition for the goods available. This results in the price rise type of inflation. After war is over and raw materials, productive capacity and manpower can again turn to civilian goods, supplies, increase faster than demand and prices go down.

Pleased with FHA Results

Describing National's experience with FHA loans, which the company has favored from their inception, Mr. Brigham said it has \$68,419,720 invested in 11,638 FHA loans. Even on a large-scale FHA loan in Minneapolis which the company had to foreclose, the outcome will be highly favorable because of the guarantee feature. Loss of interest during the default period plus other expenses on this \$1,192,601 loan amounted to \$13,625, which is not carried as an asset but which will be valuable if the FHA sells the property for more than enough to cover its own claim.

Thus, the \$13,625 may be considered a premium on 2.75 percent government-guaranteed debentures in the amount of \$1,192,601 which the company received from the FHA in return for the defaulted mortgage. Since the debentures

are callable on 90 days' notice they sell on a short-term basis and can be sold at 101 on the current market. From Feb. 25, 1939, to Feb. 1, 1940, the company received interest at 4½ percent on pay-outs of principal as construction progresses, or \$32,580. If the company were to sell the debentures on the market it would lose .14 percent or \$1,169, leaving net interest of \$30,910. Thus, the company winds up the transaction with a government bond on a very favorable yield basis which it can convert to cash with small loss and while the money was invested it earned a very favorable rate.

Pension Trust Panel

General Counsel Deane C. Davis presided over a pension trust panel which included J. William Knibbs, III, director of salary allotment, and W. G. Nelson and D. F. Hoxie, attorneys from the home office. They took up various angles of an extremely comprehensive pension trust manual which National has gotten out. A feature of it that parallels the legal language of suggested contracts is a paraphrase in layman language. It lay special stress on provisions for adding further policies to pension trust plans later on, and hence making them sufficient flexible to permit this.

At the three concurrent selling seminars there was much praise for a plan of selling juvenile insurance, or junior insurance as National prefers to call it, which was evolved by Edwin A. Hasek of Kansas City. It centers around comparing a policy issued on a boy of 10 with the same insurance issued at age 25. At age 10 the cost would not only be less but on the present scale it would be paid up at age 38 while the one issued at 25 would not be paid up until 51. The premium saving would be \$1,033 and additional dividends from age 38 to age 51 on the paid-up policy would bring the total to \$1,703—to say nothing of having 15 years more insurance protection.

An incidental angle that can be worked in is to point out that if the boy were to take flying lessons, as many boys are, he couldn't get this same liberal coverage; however, unless the war clause possibility is brought in in this offhand way it will do more harm than good to the sale. Mr. Hasek warned, since no father wants to think of his son getting killed in war or a flying accident.

General Agent G. M. Robinson of Detroit said that after Mr. Hasek had told the Detroit agency about his junior insurance presentation in May the agency wrote more than \$250,000 on 40 lives just on this approach. Herman V. Haas of Cleveland used it to sell \$70,000 in a single month.

R. O. Bickel, Cedar Rapids, aroused much interest with his description of the "Informant"—a repository of information that would be necessary or useful at the time of a client's death. The "Informant" will shortly be placed on the market by THE NATIONAL UNDERWRITER. He was elected to present his idea, first given at one of the three concurrent seminars, at the general session the next day.

SOCIAL SECURITY

G. S. Hauck, San Francisco, was similarly elected by his seminar to present his social security approach. Mr. Hauck has devised an envelope to contain necessary social security information, particularly in regard to qualifying for benefits, complexities of which most people overlook. The envelope has spaces for data on the outside and is imprinted with Mr. Hauck's name.

Mr. Hauck points out that anyone under social security should have, in order to be able to establish his claim, a record of payments. No benefits can be paid without evidence of date of birth for himself on retirement, and for his widow if he should die first. He has a list of the proper officials to write to in every state and every country in the world except Germany to obtain birth information.

Since children may become bene-

beneficiaries there should be proof of their birth dates. If there are no children there should be birth dates of one's parents, since they would receive benefits. Mr. Hauck then goes into the benefits themselves, pointing out that the problem is to spread the insurance so as to supplement social security, particular the gap between the youngest child's eighteenth birthday and the widow's age 65. He then asks, "By the way, how much insurance have you?" and he is into his sales talk.

General Agent R. P. Burroughs of Manchester, N. H., who conducted this seminar, said that frequently when a prospect has been programmed by another agent it will be found that even the best of them usually overlook any provision for taking care of money that will have to be paid the government for income taxes.

Selling Large Cases

General Agent Clyde R. Welman of Memphis was elected by his seminar group, of which he was chairman, for his plan for selling large cases. The agency made a special effort to get at least four \$50,000 cases. The first was a young surgeon who was interested in a \$5,000 single premium policy. He already had \$55,000, enough for his family but not enough for retirement. If he could pay for \$5,000 single premium in one year he could pay for \$50,000 over the next 10 years, Mr. Welman reasoned. The doctor bought \$50,000 20 year endowment but it was arranged that he would pay two premiums a year, as long as the company would permit advance payments at a discount.

At a round table on pension trusts, taxes and salary allotment, General Counsel Davis presided, assisted by the previous day's panel. There was much interest in the taxability of the insurance element contributed by an employer under pension trust plans. Employers' contributions toward retirement income policies are definitely free from tax as regards the employee until he begins receiving the income but the treasury inclines to the view that if life insurance is included in the plan the cost of the insurance is equivalent to a monetary benefit received by the employee in the year in which the firm makes the contribution.

Attitude of Treasury

T. W. Cook of the Washington agency said that while the treasury had not committed itself on the basis it will use its attitude seems to be that the face amount of the employee's policy less the reserve (not the cash value) would be regarded as having been bought at the annual renewable term rate.

It was pointed out that this problem could be avoided except where the employer paid the entire cost or wanted to be sure that employees carried life insurance as well as retirement insurance. If the employer made his contribution solely on the basis of a retirement annuity contract, permitting employees to add life insurance or disability as extras, there would seem to be no reason to believe that the treasury could tax the purely life insurance portion of the premium, since this would be clearly contributed by the employee himself, Mr. Davis said. An even more positive method, he conceded, would be to have the retirement insurance more expensive than a combined contract.

Assignment Forms

Asked about assignment forms where policyholders borrow from banks on their policies, Mr. Davis said the American Bankers Association uniform assignment form is to be preferred to a form that an individual bank might suggest, since the latter would probably be full of inconsistencies and ambiguities. The A.B.A. form, on the other hand, will probably be construed by the courts within a few years and it will be possible to know much more exactly what its language means. The value of these decisions would be lost with non-standard forms such as an individual bank might devise.

Vice-president Edward D. Field an-

nounced the winners for the club year. Winners of the three cups for volume leadership in personal production were respectively Robert P. Burroughs, general agent at Manchester, N. H.; J. J. Kellam, general agent Norwalk, Conn.; and R. Clinton Meadows, Binghamton, N. Y. All are million dollar round table members.

Bryson Leader in Lives

J. T. Bryson led in lives with 162, runner-up being Merle W. Cobligh of Brattleboro, Vt., with 154. The Detroit agency qualified the largest number of delegates, eight. The Kansas City agency qualified all six of its agents. Mr. Field also gave the final talk of the day, speaking on next year's convention. Others who spoke at this session were Dayton O. Slater, Detroit, and L. L. Montgomery, sales consultant.

The National's general agents association elected Clifford H. Orr, Philadelphia, president; Truman H. Cummings, Cleveland, vice-president; and R. C. Meadows, Binghamton, secretary-treasurer.

The general convention committee was headed by Karl G. Gumm, assistant superintendent of agencies, other members being Fred S. Brynn, assistant director of agencies, and D. Bobb Slattery, assistant to vice-president and director of agencies.

M. A. Linton to Address L.A.A. Boston Gathering

At the annual meeting of the Life Advertisers Association, Sept. 29-Oct. 1 in Boston a featured speaker will be M. Albert Linton, president of Provident Mutual. His subject will be "Life Insurance and the Threat of Inflation." He will appear Oct. 1.

The subject selected by Holgar J. Johnson for his address is "Working Toward Better Relations with the Public."

Ellsworth Geist of the Warren Paper Company has met with an accident which will cause cancellation of his part on the program.

Powell Stamper of National Life & Accident has been elected to the executive committee. Last year he was press chairman, this year he is chairman of the membership committee. He replaces Kenneth R. Miller of Atlantic Life, who is leaving the life insurance business.

William L. Camp, exhibits chairman for this year's competition at the annual meeting, announces the names of the judges. There will be two groups, one judging the exhibits of companies of the largest and smallest sizes, the other group the medium sizes. The judges will be Henry M. Faser, Jr., Penn Mutual general agent in Boston; E. Gra-

ham Bates, Massachusetts Mutual, Blackmur agency; James W. Daniels, manager life department, Wood Keyes & Company; A. Otis Shurrocks, supervisor Berkshire Life's Boireau agency. All four are Boston men. With these will serve Ward Phelps and Richard Ford of the Sales Research Bureau.

Farewell to J. H. Fitzpatrick

J. Henry Fitzpatrick, assistant manager of Mutual Life in Boston, was honored at a dinner Wednesday evening of this week, in recognition of his 48 years of service with Mutual Life and his retirement next week. Mr. Fitzpatrick be-

gan working in the Mutual Life office in Boston when he was 17 years old and when the office was in the Mutual Life building at 95 Milk street. He began as an office boy, later became assistant cashier, and then assistant manager. In recent years he has given special attention to development of brokerage in the Boston office. He retires under the Mutual Life special pension plan at 65 and will make his headquarters in the future at the Brighton Co-operative Bank of which he is president.

Ernest L. Banks, assistant superintendent of Prudential, Plainfield, N. J., has completed 25 years of service.

Business as Usual?—

IN the interests of national economic defense, the man-with-the-rate book should not be content, in these times, merely with "business as usual," which in too many instances may be relatively no business at all. Unhampered by shortage of "raw materials" and operating in a market that needs his "finished product" more than ever, the life underwriter is justified in striving not only to spread THE MATCHLESS SECURITY among the largest possible number of individuals, but, even more, in intensifying his efforts to conserve policies already in force.

LIFE INSURANCE VIRGINIA COMPANY of

BRADFORD H. WALKER, President

Home Office: RICHMOND



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INSURANCE COMPANY
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TORONTO, CANADA
Established 1887

EDITORIAL COMMENT

Year of Solid Progress Concluded

NEXT week another annual chapter in the history of the National Association of Life Underwriters will have been written. It has been a year of solid progress, under the administration of President Harry T. Wright. There have been carried forward effectively crusades that originated several years ago. It is well that Mr. Wright has had the same objectives as those of his immediate predecessors. Very little is accomplished if one administration goes out ardently for some cause and the next administration beats the tom-toms for some other movement and abandons what was started the previous year.

Mr. Wright and his associates have had as one of their chief articles the elimination of the unfit agent. The National association has made definite progress along this line during the year and the elimination of the unfit has been woven into all of its plans. Progress in this direction is difficult to measure year by year, but definite strides have been taken, it is apparent

to those who are close to the field. The caliber of the field organization is manifestly superior, on the average today, to what it was 10 years ago, for instance. Improvement comes only from constant emphasis, repetitious and undramatic, on the part of leaders that have their heart in the task.

Mr. Wright is devoted to the business, to the welfare of the agent, and if the gains were susceptible to exact measurement it would be found that his influence throughout the year was potent.

The new plan of agents compensation which has been worked out between the companies and the field forces is directly aimed to benefit the career agent and penalize the "floater" in the business. The same is true of the discussions with companies in the matter of agency practices and education.

Mr. Wright has carried the torch conscientiously and effectively throughout his administration.

We Agree with Vice President Henning

AT THE agency convention of the Illinois Bankers Life of which he is vice-president, E. H. Henning made a timely suggestion. He regretted the use of the word "carry" in its reference to the amount of life insurance one possesses. It leaves the suggestion of bearing a burden, carrying a load. It may suggest, too, impermanence, a temporary encumbrance. Altogether the word implies labor and perhaps a strain.

Then Mr. Henning states that if instead of "carrying" life insurance we say "owning" life insurance, there is an entirely different impression. People talk about their possessions, what they own.

They are vital and we speak of most of them with a feeling of pride and satisfaction.

Getting into the minds of policyholders the ownership of life insurance places them in a relationship similar to their having a home, a farm, some stocks, bonds or any thing of a tangible nature which they value highly. It has an appeal that creates a new attitude toward their insurance.

So far as THE NATIONAL UNDERWRITER is concerned it will comply with Mr. Henning's suggestion by removing the word "carry" in life insurance nomenclature and will substitute the far more appropriate term, "own."

Commissioners' Time Consumer

COMMISSIONER MORVIN DUEL of Wisconsin, one of our most observing and studious state supervisors, made an interesting statement when he said that 90 percent of his time is consumed in supervising 10 percent of the companies operating in his state. Most companies supervise themselves. They do not require a state official to watch their movements. As the Wisconsin commissioner expressed it, "We do not know they are operating in the state so far as complaints are concerned."

Well ordered companies, manned by competent and conscientious officials, with whom the directors are in accord, have no desire to take any advantage of policyholders. They seek to do the fair and right thing. They want claims and all honest obligations settled in the correct way. They have a pride in this reputation. They realize that adjusters are ambassadors of good will. In cases of this kind, the commissioner is seldom brought into the picture.

The companies that he has to watch

are those just able to meet the statutory standard of solvency. To attract agents, they must pay excessive commissions and to enable the agents to secure business, rates must be cut to the bone. For the most part the officials exploit their companies. They try to get what they can before the collapse actually takes place. They introduce deceptive methods and trick policies.

Naturally such companies attract agents of their own kidney. In order to break even claims must be scaled and every possible advantage taken. Thus company officials, agents and claim men

work in harmony. They are tarred with the same stick. They seek to keep just within the law but violate it if they think they can conceal their acts. These are the boys that the commissioners have to watch like a hawk. Their goings and comings are in the dark. Oily and unconscionable attorneys are employed. Many complaints are received and have to be investigated. All this consumes time. When ethics are concerned and where officials seek to dodge every responsibility, state supervision is no sweet job for the head of an insurance department.

PERSONAL SIDE OF THE BUSINESS

A. F. Sommer, retired manager of Metropolitan Life, has been appointed chairman of the fire prevention committee of the Cincinnati chamber of commerce. He is in charge of observance of fire prevention week in Cincinnati Oct. 5-11.

Doyle Zaring, agency secretary Indianapolis Life, suffered a fractured collar bone and severe bruises when his car collided with another in Indianapolis. He was taken to a hospital, where it was said his injuries were not serious. His car was thrown about 75 feet by the force of the impact.

Mrs. Franklin Van Sant, life of the home office general agent of the National Guardian Life of Madison, Wis., attended its agency convention banquet last week and thus came in contact with many of her former associates. She was employed at the home office as a young girl and later became cashier. She was known as "Tim" Hogan. President George A. Boissard hired her early in the career of the company. He had been located at Cincinnati and was a thoroughgoing Ohioan. Timothy Hogan, his friend, was attorney general of Ohio and a few days before had made an address at Janesville. Irene F. Hogan sought employment and she was hired but President Boissard stipulated she should be known as Timothy Hogan. So thereafter she was "Tim" and proved a most capable business woman.

When she was appointed cashier she signed all checks, official documents and correspondence as "Timothy Hogan" and she is still "Tim" to the Guardian Life folks. Her sister, Mrs. Hazel Hogan Schultz, is assistant secretary of the company.

W. R. Gardner, formerly supervisor of Atlantic Life, now a producer in the Spiller Hicks agency of Provident Mutual Life in Richmond, has been appointed vice-chairman of the Richmond Red Cross 1941 roll call. He is president of the Richmond C. L. U. chapter.

Byron D. Williams, superintendent of the group department of the W. G. Gastil agency of Connecticut General Life in Los Angeles, was seriously injured and his wife fatally injured in an automobile accident near Wolf Point, Mont. Mrs. Williams died about an hour after the accident. Mr. Williams now is confined to the hospital at Wolf Point, suffering from a fractured left clavicle, five fractured ribs and severe head lacerations.

They were motoring to Lawsonia, Green Lake, Wis., to attend the annual agency convention of the company.

Mr. Williams is a past president of the Accident & Health Managers Club of Los Angeles, and was chairman of the program committee that put on the successful convention of the National Association of Accident & Health Underwriters there in June.

Harold Huggins, in 51 weeks of his first year as a representative of National Life & Accident, paid for \$306,060 ordinary life, breaking a record held for 17 years by W. L. Knight, then a superintendent, now a manager, with \$202,000. Mr. Huggins' total represents 186 cases, with a lapse record of only 4.5 percent. Mr. Huggins, who taught school for several years before entering the life insurance business, was a star football player at Vanderbilt University.

President A. N. Kemp of Pacific Mutual Life will direct the special gifts committee of the Los Angeles Community Chest in its 1941 drive.

A. B. Duellman, Minneapolis manager of the industrial office of John Hancock Mutual Life, who was badly injured in an automobile smashup several weeks ago, is able to be at his office a few hours each day. His wife, one son and his mother-in-law were killed in the accident.

Mrs. Bernice Meistroff, special agent of Guardian Life in Kansas City, and one of the Quarter Million Club, announced the marriage of her daughter, Ann Frances, to Shale Goodman. The couple left on a wedding trip to Chicago.

R. J. Albachten, St. Louis general agent of Northwestern National Life, is the new president of the Society for the Preservation & Encouragement of Barber Shop Quartet Singing in America, elected at the annual meeting in St. Louis.

President C. F. O'Donnell of Southwestern Life, following his annual custom, entertained the home office staff with a party. The affair was held at the Dallas Country Club where an outdoor supper was served, followed by bingo and dancing.

J. I. Jordan, Amicable Life, San Antonio, Tex., has led the agency force of his company in volume written five of the eight months of this year and has led in number of lives protected every month. He has averaged 35 lives per



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month, with an average of \$1,800 per policy, and has written \$507,000 the first eight months. He says one secret of his production is working in the evenings.

Manager Loren Wright of the Connecticut General at Kansas City was preparing to leave for its agency convention at Green Lake, Wis., and suffered an attack of appendicitis. He had to undergo an operation.

D. L. Swank, one of the crack agents of Connecticut General in Chicago, who attended its convention at Green Lake this week, is a professional golfer. He started as a caddy at age 14 and has been a "pro" since he graduated from carrying clubs. He was formerly in charge of golf at the University of Illinois and later at University of Chicago. He now is the "pro" at Douglas, Mich., during July and August where there is a large summer contingent. He looked after the golf arrangements for the Connecticut General's convention at Lawsonia Club this week.

Claris Adams, president Ohio State Life, will address the Columbus Kiwanis Club Sept. 17 on "Democracy in Action."

A. E. McKeough, president Illinois Association of Life Underwriters and Chicago manager of Occidental Life of California, is bereaved by the death of his sister, Alice C., of Chicago. Services were held this week at his home.

W. K. Guttery, agent at Anniston, Ala., for General American Life, wrote 52 applications for \$109,500 in August, thereby winning a free trip to the home office and to a world series baseball game. Up to Sept. 1 he had written nearly 200 applications for the year.

DEATHS

Jefferson Standard Agency Director Dies

E. C. Klingman, director of agencies of Jefferson Standard Life, died of a heart attack. He had been in Jefferson



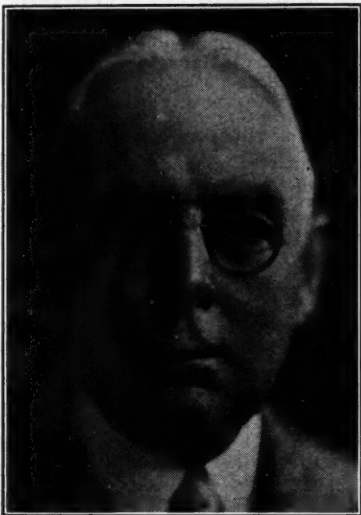
E. C. KLINGMAN

Standard service 27 years and in agency department the past 10 years.

Mr. Klingman was born at Blue Hill, Neb., but had been a resident of North Carolina since boyhood. He attended the University of North Carolina and joined Jefferson Standard in 1914. During the war he was in the air service and was shot down behind the German lines and taken prisoner. In 1933 he was appointed superintendent of agencies of Jefferson Standard and in 1938 director of agencies.

John F. Brandmier, 51, vice-president and general counsel of Federal Life & Casualty of Detroit, died at his home. He graduated from the University of Minnesota College of Law and he had

Old Prudential Manager in Chicago Dies



JESSE E. SMITH

Jesse E. Smith, who retired in 1938 as manager of the northern Illinois ordinary agency of Prudential in Chicago, died shortly after his 75th birthday. He was one of the first million dollar producers in the country, achieving that rank in 1908 long before the Million Dollar Round Table was formed. Mr. Smith was connected with Prudential about 37 years, starting in 1901 as special agent.

He was born in Plainville, R. I., going to Chicago in 1880. A great-great-grandfather, G. L. Plaghorn, built the frigate, "Constitution."

Previous to entering life insurance, he was treasurer of Thorson & Cassidy, Chicago arms and ammunition firm, 1889-1895, and then for five years was manager of Mead Cycle Company, Chicago. During his general business experience, he was stationed for a time in London representing a packing house concern.

Mr. Smith became general agent of Prudential in 1905 and manager of the newly created northern Illinois and Chicago branch. All of his life insurance experience was with Prudential.

Many insurance friends attended the funeral services held at his home in Hinsdale, Ill.

been connected with Federal Life & Casualty since 1920. He was elected vice-president in 1925.

Don A. Kirchner, Topeka, Kan., agent and formerly a general agent of the Pacific Mutual Life, died at his home there.

Milton P. Falk, veteran agent of Equitable Society in Chicago died from poison believed to have been self-administered due to investment reverses. He was 54, married, and had been with Equitable in Chicago for more than 20 years. Mr. Falk was an assistant manager of the Lustgarten agency for over 12 years, and recently had been connected with the Hobbs office as agent.

Henry Taylor, 56, Hope, Ark., agent of Equitable Society, New York, was fatally injured in the wreck of an automobile in which he was traveling with three companions, also members of the Equitable's sales staff in Arkansas, en route to a company convention at Rockaway Beach, Mo.

Delays in Inspection

Inspection companies are faced with loss of men in the draft or other concerns offering higher salaries and thus securing them. For the time being delays in making inspections are proving embarrassing but the inspection companies are doing their utmost to get readjusted.

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(SEPT. 15-19)

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Cincinnati, Ohio

NEWS OF THE COMPANIES

Compensates Agents on Fixed Salary Basis

President N. J. Frey of Wisconsin Life was impressed with the testimony of Vice-President Arthur Coburn of Southwestern Life of Dallas before the TNEC committee in which he explained its method of compensating agents on salary. He stated that the company was able to secure a higher quality of talent, it had control over the time of its salesmen, it had fewer men, they were better trained, the average size of policies had increased, the agents were making more money. Mr. Frey studied the system and concluded he could adapt it in a measure to his company. He had tried to build up an organization of part time salesmen chiefly. He changed to the salary system, paying 100 a month and a commission. He became far more selective in hiring men. He requires daily reports and controls the time of the agents. Already he sees a material improvement all along the line.

Mr. Frey was with the actuarial end of the Wisconsin insurance department, going with the Wisconsin Life 30 years ago.

Hold Pathfinder Meeting Sept. 18

LINCOLN, NEB.—Insurance Director Fraizer is mailing out to policyholders of the Pathfinder Life of Grand Island formal notice, along with proxy forms, of the meeting to be held there Sept. 18 to pass on the reinsurance contract proffered by the Standard Life of Indianapolis, a copy of which is attached. By agreement and for the purpose of fully informing the policyholders, a copy of the protest filed by Harry A. Grimmering as attorney for a small group of policyholders now in litigation was also enclosed. In this Mr. Grimmering asserts that complete protection against having their benefits reduced is not afforded those policyholders who were members of the fraternal predecessor of Pathfinder, and that the company can be rehabilitated if present officers are supplanted. So far the department has approved only the forms used and further action waits upon what will be done at the Grand Island meeting.

Manhattan Life Prospers

Manhattan Life has gotten out a little folder sketching its successful record during the first six months of this year. Insurance in force increased by \$4,161,278 or gain of 12 percent over the same period of last year. Terminations from all causes were \$385,523 less than during the similar period in 1940, in spite of the increased volume exposed. Mortality was the lowest of which Manhattan Life has any record. Interest rates continue at low levels. During the first six months Manhattan made new investments of \$1,388,900 in mortgages and bonds at an average yield of 3.22 percent, exclusive of government's. All bonds purchased were rated A or higher.

Operating earnings were \$190,000 before dividends to policyholders, an increase of 44 percent over the parallel period of 1940. As a matter of fact, the earnings for the first six months of this year exceeded those for the entire year of 1940.

Central States Action Deferred

ST. LOUIS—On the plea of Superintendent Lucas that his out-of-state consulting actuaries have not had sufficient time to analyze properly the three reinsurance proposals for the Central States Life, Circuit Judge Flynn has continued to Sept. 15 the hearing to determine the disposition of the company's insurance and assets.

Superintendent Lucas called on actuaries from the departments of three other states to analyze the bids. His

own department actuaries have already gone over them and are prepared to make recommendations when the hearing is finally held.

National Guardian in Missouri

National Guardian Life of Madison, Wis. has been licensed in Missouri. It already operates in Wisconsin, Minnesota, Ohio and Iowa. This action proves it is not afraid to extend its operations notwithstanding the uncertain conditions of the day.

Woollen Capitol Life Director

W. V. Woollen, agency vice-president Capitol Life for the past two years, has been elected a director, to fill the vacancy caused by the retirement of Dr. Frank W. Kenney, former medical director.

SALES MEETS

Four Equitable Agencies in N. Y. Hold Conference

Four agencies of Equitable Society in New York held their annual educational conference at Totem lodge, Averill Park, N. Y., Sept. 4-7. Agencies participating were those of A. Bleetstein, M. T. Ford, M. Herzberg and A. V. Ott. The meeting wound up a three months qualifying period in which a high average of paid commissions was established and a substantial increase in business from each agency. More agents qualified for the conference than in many years.

The "Career Agent" was the principal subject of discussion. Merle Gulick, director of public relations, and Stuart A. Monroe, office legal department, gave talks. Agents and organization men and women took part in an "Information Please" session, in which questions covering the agents' work, Equitable policies, and policy, were put up to a selected group of "experts."

Lincoln National Michigan Rally in Detroit Sept. 25-26

About 120 Michigan agents of Lincoln National Life will attend annual state sales conference in Detroit Sept. 25-26. J. B. Ames, general agent, is in charge of local arrangements. Started independently by the general agents several years ago, the conferences proved so productive that the company has "adopted" them.

Eleven home office officials are expected to attend, many of them appearing on the program. Among the speakers will be A. F. Hall, board chairman; A. L. Dern, vice-president and director of agencies; Dr. W. E. Thornton, medical director; S. C. Cattell, secretary and actuary; J. C. Carroll, superintendent of agents; D. B. Semans, chief underwriter, and W. T. Plogstherth, director of field service.

B.M.A. Holds Coast Gathering

PORTLAND, ORE.—W. T. Grant, president Business Men's Assurance, J. P. Baldwin, vice-president, and C. S. Alvers, a director, will attend an Oregon and Washington sales meeting at Gearhart-By-The-Sea on Sept. 12-13.

Cincinnati Men Sun Life Leaders

Ray H. Kotte of the Cincinnati branch, with a club record of over \$2,000,000 of ordinary business, becomes president of the Macaulay Club of the Sun Life of Canada. Louis A. Lent, also of the same branch, holds the second-ranking office in the production club. He is in his 73rd year. His production in 1940-41 was \$955,000.

CHICAGO

BANKER SPEAKS TO SUPERVISORS

The Chicago Life Supervisors Club held its first fall meeting with Guy Reed, vice-president Harris Trust & Savings Bank, Chicago, speaking on "A Business Man's Viewpoint of Present Conditions."

OVER 60 TO CINCINNATI

Over 60 Chicagoans will attend the National Association of Life Underwriters' annual meeting in Cincinnati next week. John M. Caffrey, John Hancock Mutual Life, is chairman of the "On to Cincinnati" committee.

NICKELL A BUSY MAN

H. Kennedy Nickell, big producer for Connecticut General in Chicago, attended its agency convention at Green Lake, Wis., this week. He had to hurry back to Chicago, look after some important business there and then went to French Lick, Ind., to participate in the golf festivities of the Million Dollar Round Table, of which he is chairman. He will report Sunday at Cincinnati for the annual convention of the National Association of Life Underwriters where his group will take a prominent part. Mr. Nickell on Aug. 1 was the leading agent of the company in paid premiums for the year.

GRIFFIN, INGRAM ATHLETES VIE

The annual outing of the Griffin, Ingram & Pfaff agency, Chicago, held at the Pistagua Hills Country Club, uncovered real athletic talent. Outstanding was Lew Waldron, who captured the open golf championship with a round of 70, one under par. The office champion was Fred Sextro, the veterans' champion was Bob Gniffke, and Bill Amstein won the high score prize. Maurie Callaghan was cited for turning in the best exhibition in the golf driving contest.

Baseball awards went to Ed Faltyssek

for the best offensive play and Ed Fendt for the best defensive play. A certain number of non-golfers seceded from the group and went fishing in nearby Pistakee Bay. For an outstanding catch, Carl Spahn was named fishing champion.

ROTHERMEL TO MOORE, CASE

Charles T. Rothermel, Jr., nephew of Samuel Rothermel of the firm of Moore, Case, Lyman & Hubbard, Chicago, has joined that agency's life department, which is general agent for John Hancock Mutual Life. Young Mr. Rothermel is a Dartmouth graduate.

NEW YORK

COLUMBIA UNIVERSITY COURSES

Winter courses in insurance by Columbia University will start Sept. 25. The officers of instruction are Milton Acker, manager compensation and liability department National Bureau of Casualty & Surety Underwriters; Dr. C. L. Parry, research associate Metropolitan Life, and L. B. Hazard, adjuster.

SUPERVISORS MEET SEPT. 16

Plans for the coming season will be discussed at the next luncheon meeting of the New York City Life Supervisors Association Sept. 16 at the Hotel Mar-tinique.

SOME NEW YORK FIGURES

The two New York City general agencies of the John Hancock Mutual Life had outstanding production records for August. The Harry Gardiner agency late in the month reached a year-to-date total in excess of its entire 1940 production. By the end of August the eight-month figures was \$5,763,000, in addition to which there were substantial gains in annuities and group credits.

The Manuel Camps, Jr., agency,

SELECTION OF REPRESENTATIVES

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which started from scratch three years ago, showed a 100 percent increase over August, 1940, and an excellent gain for the year to date. In the annual production campaign in honor of President Guy W. Cox the agency exceeded its quota by 45 percent.

As a result of special efforts put forth during Manager William H. Kee's absence on vacation, the Brooklyn agency of Mutual Life of New York showed an increase of 30 percent over August, 1940. In production it was one of the best months of the year.

AGENCY NEWS

Brink Agency Cruise Has Total Attendance of 287

The five-day cruise of the Earl B. Brink Michigan agency of Mutual Health & Accident and United Benefit Life from Detroit to Isle Royale in Lake Superior, with stops at Mackinac and Sault Ste. Marie, was especially successful, with 287 making the trip.

In attendance from the home office in Omaha were S. C. Carroll, vice-president; F. S. Finch, Mr. and Mrs. W. E. Huggins and Mr. and Mrs. H. C. Carden. In addition to the contingent from the Brink agency, C. Truman Redfield of Chicago had 13 men on the cruise, Jack Crane of Waterloo, Ia., nine, and H. F. Swisher of Columbus, O., who was unable to attend himself, sent eight men. Others in attendance included L. F. Flaska and E. M. Hand of Toronto, with their wives; Hershel Lamme, new manager at Dayton, O.; Mr. and Mrs. D. M. Brovan of San Francisco; Ralph Hale and T. Maher of Pittsburgh.

Agency Closes Successful Drive

The Shoptaugh, Spence & Barrett agency, Provident Mutual Life, Indianapolis, closed its summer campaign in fifth place for the company for August. At a luncheon celebrating the fete, F. C. Stevenson was awarded the grand prize as leader of the agency which includes expenses to the National convention at Cincinnati. Prizes were also awarded to William A. Clabaugh, Alex Vonnegut and Joe Conner.

NEWS BRIEFS

William S. Vogel, Newark general agent Columbian National Life, was host to 30 agents, at a beefsteak dinner at his home in South Orange, N. J. Mr. Vogel has started a "World Series Production Campaign." Qualifiers will receive tickets to the games which will be played in New York City.

The "Leaders Club" of the Alexander F. Gillis agency at Newark, N. J., for the Provident Mutual Life, will hold a golf tournament at the Essex

County Country Club, on Sept. 15. C. J. Schmitz led the agency in August in paid business.

Upon his return from a two weeks' fishing trip in Colorado, L. C. Mersfelder, Oklahoma state manager of Kansas City Life, entertained his office and sales staffs with a fish dinner. He pledged that he would not return from his annual fishing trip without a catch large enough to provide the fish for the annual dinner. Several agents from nearby towns also attended.

Harry Kramer, special agent in Holland, Mich., for Franklin Life, celebrated the 20th anniversary with the company. W. J. Olive, Franklin general agent in Holland, entertained a number of Michigan agents in his home in honor of the anniversary.

C. L. U.

University of Cincinnati Offers Two C.L.U. Courses

CINCINNATI—Two courses in life insurance will be offered this fall by the University of Cincinnati in cooperation with the local C.L.U. E. F. Pierle, Provident Mutual, is the instructor for the course of fundamentals and George Fee, attorney, and member of the law faculty of the evening college, is the instructor for the course in law, trusts, and taxes. The fundamentals course is preparatory to Part 1 of the C.L.U. examination while the advanced course is preparatory to Part 3.

The course in fundamentals will be given Friday afternoon from 4 to 5:45, beginning Oct. 3. The advanced course will be given on Wednesday afternoons from 4 to 5:45 beginning Oct. 1.

Enrollment information may be procured from the dean, Evening College, University of Cincinnati, or from Ben Stoner, Connecticut General, chairman C.L.U. education committee, 2519 Carew Tower.

Start C.L.U. Course in Newark

First semester C. L. U. courses have been started at the University of Newark. They are offered in cooperation with the Life Underwriters Association of Northern New Jersey. The enrollment this year is much larger than usual.

John Hancock C. L. U.'s Elect

John Hancock members of the C.L.U. elected Edwin J. Allen of the Harry Gardiner agency in New York president of their group. Ralph W. Hoyer, general agent at Columbus was elected vice-president and secretary. These directors were named: Arthur Bliss, Boston; Hans Clasen, general agent at Portland, Ore., and Ricks Strong, general agent at Dallas.

MANAGERS

Hall, Dern Detroit Speakers

A. F. Hall, founder and chairman of Lincoln National Life, and A. L. Dern, vice-president and director of agencies, will speak at the first fall dinner meeting of the Associated Life General Agents & Managers of Detroit Sept. 25 at Meadowbrook Country Club. S. W. Ryan, Penn Mutual, will preside.

Glen Reem, Guardian Life, chairman of the program committee, has arranged a golf tournament for the afternoon in which the supervisors of the various offices will be privileged to take part.

Kansas City Managers Meet

The General Agents & Managers Association of Kansas City held its first fall meeting Monday.

A report on plans for an advanced course was given by G. L. Maltby, chairman of the committee in charge. Dallas Alderman, Kansas City Life, spoke on perfecting an organization to cooperate in selling defense bonds.

The Life Insurance Cashiers Association of Milwaukee held its first fall dinner meeting Sept. 9 to discuss plans for fall and winter activities.

Attend Canadian Gathering

TORONTO—Three insurance commissioners from the United States will attend the annual conference of the Canadian Association of Superintendents of Insurance here Sept. 15-18. They are Commissioner Hobbs of Kansas, president National Association of Insurance Commissioners, Commissioners Harrington of Massachusetts and Berry of Michigan.

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PHILADELPHIA



LIFE AGENCY CHANGES

Promoted by Mass. Mutual at Cleveland

Clarence E. Pejeau has been appointed general agent of Massachusetts Mutual Life at Cleveland and will continue his association with E. W. Snyder, general agent there for 36 years, who will remain in charge.

Mr. Pejeau entered life insurance in 1925 as a personal producer in the Cleveland office. Selling \$256,000 his first year, his sales now aggregate over \$3,000,000. In 1928, the year of his graduation from the Rockwell School, he was appointed agency supervisor. He received his C.L.U. designation in 1937 and the following year was graduated from the managers and general agents school conducted by Sales Research Bureau. In 1938 he was appointed associate general agent.

Since he became supervisor, Mr. Pejeau has been right-hand man for Mr. Snyder, engaged largely in recruiting, training and assuming considerable administrative responsibilities. An avid reader of life insurance news publications and text books, he has compiled a scrap book of selling ideas which he has tested and proved.

A popular speaker on Massachusetts Mutual convention programs, he has made a reputation as a well informed life man. He is president of the Cleveland Association of Life Underwriters and secretary of the Cleveland Life Underwriters & Trust Officers Club.



C. E. Pejeau

Lindsay Appointed in Brockton

The Columbian National Life has appointed Hugh Lindsay general agent in Brockton, Mass.

Mr. Lindsay started in the accident and health business and for some time he was field supervisor for the accident and health department of the U. S. Casualty. He joined the Columbian National's agency department in 1937. Subsequently he became brokerage manager for the Shearer home office agency in Boston.

Leonard N. Swift, who formerly headed the Brockton agency, is retiring after 27 years' service. He will continue to supervise his own personal business as associate general agent.

American United Names Holdam

J. Vance Holdam has been appointed general agent for American United Life at Chattanooga, succeeding W. H. Atkinson, who will devote his time to personal production.

American United headquarters will remain at 804 Cherry street, Chattanooga, and Mr. Atkinson will be associated with Mr. Holdam.

Mr. Holdam has had 30 years of business experience. He was an officer of the First National Bank at Chattanooga, and more recently has been manager of a large business building.

Sullivan Group Supervisor

Thomas P. Sullivan has been appointed group supervisor in Iowa by Connecticut General Life. He has been an agent of Prudential in Sioux City.

Bechtol Named Supervisor

T. W. Bechtol, who has been special agent for Penn Mutual for the past five years, has now been appointed supervisor of the Columbus and central Ohio territories for the R. P. Gygli agency at Columbus. He is first vice-

president of the Columbus Junior Chamber of Commerce.

Boyd Made Lexington Manager

Tom Boyd, Lexington, Ky., assistant engineer of the University of Kentucky division of maintenance and operations, has been appointed manager of the Lexington agency of the State Farm companies, covering Fayette and adjoining counties in central Kentucky.

Rice Named at Kingston

L. G. Rice has been promoted to manager at Kingston, Ont., for Manufacturers Life, succeeding A. C. Baldwin who has retired due to ill health. Mr. Rice was appointed manager at Barrie, Ont., in 1940, and prior to that was branch secretary at Kingston.

Goes with Connecticut Mutual

Bert J. Jones, who joins Connecticut Mutual at Dallas, was formerly a member of the firm of Cain & Jones, Dallas general agents of Reserve Loan Life. Before that he was home office agency manager of Republic National Life.

Cronin Named at Creston, Ia.

Lysle D. Cronin has been named by Bankers Life of Nebraska as general agent at Creston, Ia. He has been connected with Prudential in Creston for 10 years.

H. E. White, Aetna Life assistant group manager in San Antonio for two years, has been transferred to the New York office.

Ross F. Roberts, Pittsburgh general agent of Loyal Protective Life, has appointed J. S. Calhoun to handle business in McKeesport, Pa., and vicinity.

ASSOCIATIONS

Lockhart Declares War on Insurance Racketeers

SAN ANTONIO, TEX.—O. P. Lockhart, life insurance commissioner and chairman of the Texas insurance commission, spoke to the San Antonio Association of Life Underwriters on what is being done in life insurance and plans for the future. He paid tribute to the character of the men who are members of the association and who represent companies that live up to the spirit as well as the letter of their contracts.

Referring to men who are selling forms of life policies which are deceptive in their wording or which are presented in a fraudulent manner, Mr. Lockhart said all racketeers and their fraudulent practices must be eliminated from life insurance. He stressed especially the practice of selling what is known as a single premium policy, the payment of this single premium being made with a series of notes. The buyer and maker of the notes, Mr. Lockhart said, is led to believe that he will never have to pay more than three of the notes. Mr. Lockhart explained that the seller of such policies later denies having made any such representation. Investigation and prosecution, Mr. Lockhart said, has resulted in the jailing of four of these salesmen.

Next to the fraud perpetrated under the note plan for the so-called single premium life insurance, Mr. Lockhart considered those who buy one charter after another and sell policies which show the benefit in figures representing thousands and actually pay the beneficiary \$200 or \$300 after the death of the insured.

He asked that the legitimate life insurance men, through the associations, give him their cooperation in eliminat-

ing all forms of fraud in life insurance selling, through the enforcement of present statutes and through the suggestion of corrective legislation to be submitted when the Texas legislature meets again.

Matthew Brown, General American Life, spoke briefly of the importance of the associations in securing the kind of legislation which is necessary to protect life insurance.

San Francisco—A two-day school on business life insurance will be conducted by Leon Gilbert Simon, Sept. 29-30. The classes will be open to all life underwriters in northern California or any others who desire to make the trip to San Francisco. The afternoon of the second day will be devoted to an open forum and personal conferences on individual cases.

Denver—The school sponsored by the Denver association will open Sept. 13 with a welcome by Clarence J. Daly, president Capitol Life, and two talks: "The Job of Selling," O. H. Jacobson, general agent Home Life of New York; and "Purposes and Uses of Life Insurance," M. V. Stenseth, state manager Business Men's Assurance.

On Sept. 20 "Types of Contracts" will be discussed by Emerson Carey, general agent John Hancock Mutual Life; and "What's in a Policy," by C. E. Eddleblute, general agent Penn Mutual. On Sept. 27 "Presenting the Case to the Home Office," will be covered by W. Lee Baldwin, president Security Life & Accident, and "Ethics" by Commissioner Kavanaugh.

Weekly sessions will be held until Dec. 6.

Northern New Jersey—Activities started Thursday at a luncheon in Newark at which C. Preston Dawson, New York City general agent New England Mutual Life, spoke on "Prospecting." The executive committee held a special meeting, discussing an educational program for the fall and winter season. Membership is now close to 400, the highest in history.

Peoria, Ill.—Tom B. Reed, Great Southern Life, Oklahoma City, will speak at the opening luncheon meeting Friday.

Southeastern Nebraska—New officers are: President, S. B. Parker, Nebraska City; secretary-treasurer, J. E. Knoflick, Plattsmouth. Both are with Bankers Life of Nebraska.

Minneapolis—Commissioner Johnson spoke Sept. 11. Plans were discussed for sending a large delegation to Cincinnati.

Fort Worth, Tex.—B. N. Woodson, director of service Sales Research Bureau, spoke at the September meeting on "Meeting Today's Objections."

Kansas City—The first fall meeting will be held Sept. 27. Speakers will be C. C. Day, general agent Pacific Mutual, Oklahoma City, and Bert A. Hedges, general agent Business Men's Assurance, Wichita. Details of the advanced salesmanship school, starting Nov. 8 will be announced.

A large delegation headed by J. Frank Trotter, national committeeman, will attend the meeting of the National Association. Kansas City may extend an invitation for the convention in 1943 or 1944.

Racine-Kenosha, Wis.—A business meeting, golf tournament, bridge and dinner dance were held at the Kilbourn Country Club. Earl Wheeler, Madison, president state association, was guest speaker. Initial plans were made for the Wisconsin state convention to be held in Racine next June.

Wichita, Kan.—Tom Reed, Oklahoma City, million dollar producer of Great Southern, spoke on "1941 Recipes for Selling," outlining many of his personal ideas used in making his own out-

standing record. The constitution was amended to add a second vice-president in charge of membership, C. C. Winchell, Prudential, being named. Gill Glover, first vice-president, was placed in charge of programs. President Lee Wandling, Equitable Society, and Virgil Davis, Farmers & Bankers, were named delegates to the Cincinnati convention. Secretary Leo R. Porter, Lincoln National, outlined the defense bond sales campaign.

Wichita Falls, Tex.—At a noon meeting arrangements were completed for the sales school scheduled to open Sept. 20. It will consist of 13 weeks of study and discussion. Sam C. Unsell is dean.

RECORDS

Pilot Life—For the first eight months of this year, the gain in insurance in force was the largest for a comparable period in history. The increase is \$8,593,598, which is 87 percent more than the gain for the same period last year, and represents an average gain of over \$1,000,000 a month during 1941.

The Pilot now has in force \$155,235,645, which is 9 percent more than the amount in force a year ago.

Equitable Life of Iowa—Broke a 75-year record when its field force in August paid for more business than at any time since the company was founded in 1867. Life insurance and annuities paid for in August totaled \$7,074,838, a gain of \$2,736,040 or 63.1 percent over the same period last year. Life insurance and annuities issued the first eight months total \$39,541,837, an increase of \$5,878,087 or 17.5 percent. Insurance in force now exceeds \$609,333,000.

Bankers Life, Neb.—August production increased 59.6 percent over August, 1940, and the total to Aug. 31 was 33 percent ahead of the same period last year on a paid basis. The leading agency in August was L. B. Arwin, Detroit. Second was the Marshall agency, Fairbury, Neb., and third, the Burtner agency, Harrisburg, Pa.

Business Men's Assurance—August was the seventh consecutive all-time high month for 1941. Paid business of all classes was 26.3 percent ahead of the same month last year. For the year to date it is 13.8 percent ahead of 1940.

An increase in paid life insurance of 17.8 percent over the corresponding month of last year brings the total increase for the year to 16.3 percent.

Sixteen branch offices showed an increase over the corresponding month of last year and for the first eight months, 17 of the 21 offices report gains.

Franklin Life—August was the seventh consecutive month in which previous production records were broken. Paid production showed a gain of 50 percent over August, 1940, and was the best experienced in any August in the past 10 years. Paid production for the first eight months of 1941 totals almost \$6,000,000 more than that in the corresponding period in 1940.

Home Life of New York—The sale of new business during August reached the highest volume of any month since April, 1929, \$2,626,506 more than

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BIRMINGHAM, ALABAMA

August a year ago. It was the third largest month in 81 years.

July and August business was greater than the total for the third quarter of 1940. New insurance in the first eight months is 14.3 percent more than in the same period last year.

Insurance in force for eight months of 1941 gained \$17,187,703, \$6,000,000 more than in the same period a year

ago and more than the total gain for the entire year 1940. Lapses and surrenders were lower than for any previous month this year.

Peoria, Ill., branch Sun Life of Canada—Paid for volume in August exceeded \$1,300,000, the largest since the agency was established. This places the agency at the head of all in the company for the year to date.

LEGAL RESERVE FRATERALS

Societies' Strength Rests in Youth

The strong youth movement in this country is a challenge to fraternal societies, Mrs. Dora Alexander Talley, president Woodmen Circle and past president National Fraternal Congress, stated in an article released this week by N. F. C. as a part of its public relations program. All countries are placing their hope and their existence in the hands of a wisely guided and directed youth, she said. Youth is taking a more important part in shaping world events and definitely will assume leadership in restoring civilization and adjusting world affairs when peace is declared.

Therefore, it behooves the societies more fully to realize the ability of youth to help carry the work of the organizations to greater success than heretofore known. A definite place for the young people must be made in the fraternal and leaders must drop the notion that youth is too busy with its own affairs to be interested in fraternalism.

Can Appeal to Youth

"I am convinced that we can hold them if we can make them see that hand-in-hand with their own good times goes the opportunity of self-improvement and service to others," she said. "Let us, then, continue, even increase, our work in the juvenile departments and provide means to safely carry our juniors through the early adult stages in our lodges. Fraternal leaders must decide upon the best way to work with young people instead of for them, so that when the need comes they will be trained to assume leadership and qualified to do the work necessary for our continued growth."

She said the work of junior lodges over the last 25 years resulted in gaining approximately 1,000,000 junior members, although many societies did not begin writing children until 10 years ago and some only now are beginning. The next 25 years will show far greater results.

The future of societies depends largely on their success in building up juvenile and young people's departments, she stated. The juniors must be active from the time they join the juvenile department, through the adolescent stages up to the time when they become members of the adult lodges. There must be an attractive ritual, a well-rounded program, social activities measuring up to their ideas, and opportunities for them to participate in local community affairs.

Demands Skilled Supervisors

The young people like to be up-to-date and want to do the popular things of the age. Therefore, it is essential to secure junior supervisors who are active and alert, and who understand how to meet and satisfy this healthy energy in children.

A pressing problem today is how to absorb the group too old for the juvenile department and too young for the average adult department. Young people, she said, want to associate with others

their own age, and they like to be identified as individual groups even when these groups are part of a larger organization. This transition period from ages 16 to 30 needs to be bridged over so that these young members may grow naturally into the lodge work.

These young people are the most promising material out of which to build leadership and the societies cannot afford to lose them. The strength of the societies in the future will lie in their ability to hold the young people by means of youth activities.

C. O. F. Officials Going to N. F. C. Convention

A substantial delegation from the Catholic Order of Foresters, Chicago, will attend the annual convention of the National Fraternal Congress at San Francisco, Sept. 22-25. Thomas H. Cannon, high chief ranger, plans to fly there by way of Los Angeles via stratonliner, Sept. 19.

Thomas R. Heaney, secretary, who is vice-president of N.F.C. and slated to be elected president, will head a party which will go by streamliner. This will include C. D. DeBarry, director of sales; Dr. J. G. McGrath, medical examiner; Hugh Young, Minneapolis, and Thomas W. Thompson, Detroit, high court trustees; Thomas J. Carroll, Columbus, O., editor, and Albert A. Horstman, Dayton, O., vice-chief ranger. Mesdames Horstman and Young will accompany their husbands and Mr. Thompson will take his daughter along.

It is likely the C.O.F. officials will be guests at various court functions on the Pacific Coast before returning to the head office.

Texas Legal Reserve Names Hopkins as President

The supreme legislative council of Texas Legal Reserve Funeral Society, Dallas, elected J. M. Hopkins of that city as president. Other officers elected were: Vice-president, Lloyd Boxwell, Dumas, secretary, E. B. Council, Dallas, and treasurer, J. D. O'Brien, Dallas.

Harold Brand, Sparkman-Brand Mortuary, Dallas, and Charles Romick, attorney, were elected directors.

Mr. Hopkins stated the society was prospering, with 25 local chapters functioning.

To Entertain N.F.C. Party

The "President's Special" train, bearing Alex O. Benz, president, and delegates to the National Fraternal Congress meeting in San Francisco Sept.

22-25, was to stop at Colorado Springs and Denver long enough to permit a Colorado committee headed by Hyman Landy, Colorado-Wyoming State Congress secretary, to show the guests the 22-25, was to stop at Colorado Springs principal points of interest. However, the trip projected would have required 4½ days without this stopover, and the special was canceled due to registration of only about 45 fraternalists.

Carl O. Teisberg, Lutheran Brotherhood Official, Dies

Carl O. Teisberg, extension vice-president of Lutheran Brotherhood, one of its most valued home office executives, died at Minneapolis.

He was born in Dane county, Wisconsin, Nov. 9, 1877, was graduated from Luther College, Decorah, Ia., in 1899, and continued studies at the graduate schools of the Universities of Wisconsin and Minnesota.

When Lutheran Brotherhood began business in 1918 he became one of its charter members, receiving Certificate No. 8, and became interested in field work. For many years he was an active representative, and was assistant superintendent of agencies for several years.

Mr. Teisberg was advanced to extension vice-president by the board in 1936. He contacted pastors and laymen of different synods in organizing local church Brotherhood branches through the country. He was deeply interested in boys and did constructive work in the Lutheran Church in Boy Scout activities. Several years ago he was elected national Lutheran Scout commissioner.

He had varied duties in the Lutheran Brotherhood home office, in the agency department and on the underwriting committee. He gave much talent and time to work for the Norwegian Lutheran Church of America and for several years was corresponding secretary of the Federation of Lutheran Brotherhoods of Hennepin county.

Mr. Teisberg is survived by his widow, three sons and a daughter.

Services were held at Our Savior's Lutheran Church, Minneapolis, by Mr. Teisberg's pastor, J. W. Ylvisaker. Dr. J. A. Aasgaard, president Norwegian Lutheran Church of America, paid tribute to Mr. Teisberg's service to the church.

The South Dakota Fraternal Congress annual meeting will be held Oct. 7 at Sioux Falls.

Albert Hirst's booklet "When a Man Dies" should be in the hands of every one of your large clients. Four copies \$1. Order from National Underwriter.

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NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

Prudential Adopts New Annuity Rates

A new schedule of annuity premiums for Prudential becomes effective Oct. 1. The life annuity without refund will follow the rates introduced by the Travelers some time ago. The only guaranteed return plan being offered is a 10 years certain plan which provides for commutation at 2 percent of any installments necessary to complete 10 years of payments if the annuitant dies during the first 10 years.

A digest of the new rates follows:

Age last Birthday	Life Annuity		10 Yr. Guarantee	
	Single pymt. to provide \$100 ann.	Single pymt. to provide \$10 mo.	Single pymt. to provide \$100 ann.	Single pymt. to provide \$10 mo.
M. F.				
35 40	2,713	3,314	3,02	2,731
40 45	2,484	3,040	3.29	2,510
45 50	2,246	2,754	3.63	2,283
50 55	1,987	2,465	4.06	1,987
55 60	1,719	2,168	4.58	1,719
60 65	1,451	1,871	5.18	1,451
65 70	1,183	1,574	5.87	1,183
70 75	915	1,277	6.68	915
75 80	647	980	7.61	647
80 85	379	683	8.71	379
85 ..	111	386	10.00	111

State Farm Life Has Low Cost Form for Young Men

State Farm Life of Bloomington, Ill., has brought out a new low cost policy that is expected to attract the eye of young men. It is sold in units of \$2,000 for an annual premium of \$10 plus an additional first year fee of \$5. It will be sold to men between the ages of 16-35, inclusive. After age 35 the amount of insurance decreases each year until it declines to \$1,000 at age 45 and \$100 at age 70. The latter amount is continued in force during the remainder of the insured's life.

The policy may be converted to any other form of life insurance before age 46 without evidence of insurability. It is written on the participating basis but without cash value. It is known as "The Chief" policy. It is an annual renewable term contract with its net premium based on the American men table.

Savings Banks Offer Mortgage Redemption Form

BOSTON—The Massachusetts savings banks have now come out with a form of mortgage redemption plan. The original face value of \$1,000 insurance decreases at the rate of \$50 a year for 20 years. At age 30, a \$1,000 policy will cost \$7.24 a year, for a 15 year period with protection afforded for 20 years.

This form is available in connection with existing mortgages as well as with new mortgages to any of the 150 banks in Massachusetts which offer savings banks life insurance.

Occidental, Cal., on 3 Percent Basis

Occidental Life of California has adopted the 3 percent reserve basis for all contracts, effective Sept. 15, and has withdrawn some less popular plans and added an 18-year endowment, five-year non-convertible and non-renewable term, and juvenile 10, 15 and 18-year endowments.

The retirement income policy of the non-participating department, called the endowment life income, is being written for a face amount of \$1,500, while that of the participating department remains at \$1,000. The non-participating endowment life income on females carries \$9 monthly life income guaranteed for 112 months. The non-participating endowment age 65, non-participating 20 payment endowment contracts and the participating 10 year term and immediate cash refund annuity have been withdrawn. Retirement annuity has been placed on a participating basis.

The Occidental now will write a policy for \$500 subject to an extra charge of 50 cents annually for each \$100 by which the policy falls short of \$1,000. Thus, the rate for a \$500 ordinary life would be one-half of the \$1,000 rate plus \$2.50. The maximum amount for which endowment age 85 and 20 payment endowment age 58 can be written is \$5,000. Below are shown some of the new rates per \$1,000.

Age	Non-Participating		Par.	
	End.	Pay	End.	Pay
15	14.21	23.74	15	14.21
20	15.72	25.76	20	15.72
25	17.57	28.00	25	17.57
30	20.29	30.63	30	20.29
35	24.59	34.67	35	24.59
40	30.38	39.68	40	30.38
45	37.73	45.67	45	37.73
50	46.83	52.73	50	46.83
55	57.73	60.83	55	57.73
60	70.48	70.00	60	70.48
65	85.11	80.00	65	85.11
70	101.46	90.00	70	101.46
75	120.00	100.00	75	120.00
80	141.46	110.00	80	141.46
85	165.73	120.00	85	165.73
90	192.83	130.00	90	192.83
95	222.83	140.00	95	222.83
100	255.73	150.00	100	255.73

Continental Assurance Change

Continental Assurance on Nov. 1 will increase its nonparticipating premium rates. The increase will average about 1.4 percent on ordinary, 5.4 on 20 pay, 4.5 on 20 year endowment and 7.3 on insurance with retirement income at 60. The increase will be due to change from 3½ to 3 percent reserve basis. Cash, loan and non-forfeiture values will be correspondingly increased.

Capitol Life War Clause

Capitol Life of Denver now has in effect a war and aviation exclusion provision applicable to seven classifications of applicants. The rules are similar to those adopted recently by Lincoln National Life. The classifications to

whose policies, when newly issued, the rider will be attached are: Officers in the armed forces, military and naval reserves, active or inactive; West Point and Annapolis men, college students in their third or fourth year of R.O.T.C., youths registered for selective service with 1-A classification, civilian and government pilots, and all who because of their nationality, business connections, etc., may contemplate travel in foreign countries.

Issues Single Premium Contract

A single premium life contract is now being issued by the Great Lakes Life of Cleveland. The policy carries cash and loan values end of the first year. Dividends, likewise, are payable end of the first year. Sample age rates are listed below:

Age	Prem.	Age	Prem.	Age	Prem.
10	\$268.59	30	\$364.35	50	\$549.72
15	286.57	35	400.59	55	612.05
20	308.08	40	443.28	60	677.75
25	333.76	45	492.97	65	744.04

National Guardian War Clause

National Guardian Life of Madison, Wis., is not putting a war clause of a general nature on its policies so far except it only pays the premiums if one is on a submarine or in the aviation branch and dies from the effect of such operations.

Lutheran Mutual Liberalizes

Lutheran Mutual Life of Waverly, Ia., has liberalized its underwriting rules. The limit of insurance which may be issued on any one life has been increased from \$25,000 to \$40,000. The maximum for double indemnity is retained at its old limit of \$25,000. Waiver of premium benefits was made available up to \$25,000. Waiver of premium will now be issued to women on the same terms as to men with the provision that it will be issued only to unmarried, self-supporting women and the contracts will be canceled at the time of marriage. If the company is not notified of the

ACCIDENT


4 Billion Man-Hours Lost Annually by Accident, Sickness

The accident rate has been accelerated by the stress of national defense production to the point where disability to workers through accidents and sickness combined amounts to four billion man-hours on an annual basis, according to the Institute of Life Insurance. Part of this loss is being offset to the individual through insurance benefits, but the man-hours lost to defense production cannot be replaced.

Connecticut General to Get Out New Policies

Secretary George Goodwin of Connecticut General announces it is working on a new edition of accident and health policies that will be released in October. Some technical requirements of a few state departments necessitate changes and hence it was deemed wise to revise all forms. The application blank will be changed. There will be a shorter application for housewives and students. It will discontinue printing the application in the policy.

marriage, the contract is nevertheless canceled automatically and the company is liable only for return of premiums paid since that time. Double indemnity will be issued between the ages of 10 and 15, inclusive. The 30 year savings refund and 10 year savings refund policies are made available to children from age 0 on both the five and 10 benefit scale.



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Sales Ideas and Suggestions

Factors in Life Insurance Selling Explained by Experts

At the annual Guardian Life convention of National Guardian Life of Madison, Wis., the company had three guest speakers who gave practical points in life insurance selling, they being C. E. Roth of Denver, sales consultant; C. J. Zimmerman of Chicago, general agent Connecticut Mutual; H. A. Hedges, Kansas City general agent Equitable of Iowa.

Mr. Roth dwelt on the approach, Mr. Hedges on the development of the sale and Mr. Zimmerman the close.

Mr. Roth stressed the first few seconds of the approach as all important. Getting the right start has much to do with determining the success of the interview. The first thing a salesman does or says means much. He declared that 75 percent of interviews are unsuccessful because of the unfavorable impression at the beginning. He asserted the value of proper approach the first five or ten seconds is no longer guesswork. It has a definite scientific basis for analysis. Most salesmen, he finds, are weak at this strategic point.

Study Made of 527 Cases

Mr. Roth made a close study of 527 sales people who called on him in a given time to evaluate their work at the early stage according to his formula which he acknowledged was rigid and critical. Only two he graded 100 percent. In continuing Mr. Roth said in substance:

A salesman must invoke relevant attention at once to command interest of the prospect. By relevant attention I mean the presentation of the subject being presented should be convincing and pertinent. The principles of approach are the same and on them should be based the method employed.

"First is the attitude of the salesman before he makes the approach. In life insurance selling this is highly important. The agent must expect success. He must radiate his enthusiasm. He must convince himself that he is going to succeed. There should be no negative thoughts. You should feel that this very minute is all important. Therefore concentrate on the present, forget the past and leave the future to itself. A half hearted approach is the bane of life insurance selling. Abolish everything from your mind except this duty which is now before you.

Have a Definite Plan

"Many salesmen have no definite plan in their approach. Unless you can rivet a man's attention on your cause, you are lost. Anticipate what your prospect may say. Study what plan in your mind will be the wisest. Most prospects have an ingrowing outlook. They are concerned with what concerns them. Their mind dwells on themselves. They are worrying about the war, increasing taxes, Roosevelt, priorities and the like. You are an interloper and the prospect is in opposition to you. It is your duty to try to overcome his prejudices. He begins to size up the visitor immediately. Your first job is to win his confidence and friendship.

"The salesman must maintain a professional attitude in his work. To do that he must have a comprehensive knowledge of his vocation and be a master. He must be able to diagnose one's insurance needs and know how to meet them. He should be so well qualified for his vocation that people will have supreme confidence in his ability. They soon divine his professional knowledge and success. That does not mean self

assertiveness for it repels. No one admires a cocky or flippant salesman.

"Small items count in the approach. The prospect immediately is influenced by what you do, how you enter, how you come to his desk. He watches your face. At this stage that common denominator of mankind, friendliness, should be apparent. The prospect should feel it. A sincere and infectious smile will reveal your true attitude, not a smirk, a grimace, a grin. A true and sincere smile is an immediate expression of friendship. In such a smile the eyes play a prominent part. People do not smile often enough. Always try to be a friend of the people you are trying to serve.

Getting Into the Blood Stream

"The agent should get his message or appeal into the blood stream of the prospect. He should use one or more of the senses to communicate it. The eye is always a favorite one. No one can resist a commanding appeal. Don't try merely to talk yourself into the blood stream but attack another sense than hearing as a help and be sure to make direct appeal. Employ visual helps. Try to engage your prospect's attention at once.

"A life insurance salesman has a difficult job because he is dealing in a so-called intangible. Therefore he must devise ways and means to make it as tangible as possible. For instance, show the prospect a monthly income check, a likeness of his house or child, anything to keep him in the picture. A good approach is 'How would you like to have?'

"No merchant today would be without a cash register. He regards it as essential to his business. The National Cash Register Co. has been a great educator in this respect. It has done a far more successful job than the life companies."

MR. HEDGES' TALK

Mr. Hedges declared that most agents stumble over far more business than they write. Their plan is often ineffective. They may have many ideas but do not know how to apply them. There are in Kansas City 1,700 licensed life agents and yet but a comparatively few are really successful. He said in effect:

"The question an agent should continually ask himself is 'What am I doing for my clients?' In my section the people with whom we deal reside in cottages. They make a sacrifice every time they buy insurance. The sale of a \$1,000 or \$1,500 policy is an event. They are suspicious of things they don't understand. They want to know what a policy means and what is behind it. When they purchase a ticket to some game or entertainment it means more than a piece of paper. It means buying the game or entertainment. People of this kind buy the things they want. I heard an agent ask another, 'Did you sell Mr. — a policy?' The reply was 'No. I helped him buy one.' An agent after all should be a want maker. It would do an agent good at any time to visit an orphanage, a poor house or go where derelicts live. That would show the absence of life insurance. One must have an abiding faith in life insurance to sell it successfully. One should act in selling."

Mr. Hedges built a successful approach by the following questions: When did you leave school? From that time until now you have saved some money, have you not? If you continue

at that rate could you save enough by age 65 to furnish you a satisfactory income? Could you save \$5 or \$7 more a month if compelled to? Could you save 15 cents a day? If I prepared a proposal to show you what would be the result of this additional saving would you consider it? Do you know what income your present life insurance would give at age 65?

Would Sell Interviews

Mr. Hedges said a big feature in life insurance is really selling interviews. It is easier on the first interview to sell approval of one's suggestions than life insurance itself. Get the prospect committed to a plan. Mr. Hedges continued:

"Sell educational policies, mortgage payment, monthly income, provision for a parent. Let life insurance have some definite job to fulfill. Life insurance selling has many thrills. It is the combination of all sports. Life insurance after all centers about the home. People have to be reminded continually of its benefits just as the church bell every Sunday reminds people of the religious service. We take too much for granted in our work."

Mr. Hedges said if a man's family were in a burning building, they either would jump out of a window and in that way endanger their lives or if a fire escape were provided they could come down in an orderly way. He drew a series of steps to illustrate the orderly procedure after the bread provider died. The first might be a stipulated income for the first six months, the next a lesser amount for three months and so on down to the bottom. In addition there would be \$500 or \$600 payable at once to clear up debts and provide for immediate needs. He bases this illustration on what could be accomplished by saving 15 cents a day at the prospect's age.

C. J. ZIMMERMAN

Mr. Zimmerman advised emphasizing retirement income. He asks a prospect if he would like to have a satisfactory

income at age 65. It would mean depositing so much every year up to age 65 and then the payments would come the other way. He stresses the fact that 100 desire such an income but only five provide for it. He draws from the prospect what problem or purpose he has and then shows how life insurance helps him.

Mr. Zimmerman lays great stress on proper motivation. There will be many excuses but they can be overcome if there is a motive to buy. For instance explain to a young man providing for income at age 65. There may be a great value to him in the policy before he reaches 65. He may see an opportunity to go into profitable business for himself and his life insurance might provide part of the fund he needs to complete the deal. Life insurance often paves the way for a policyholder to take advantage of an opportunity.

Mr. Zimmerman used a graphic illustration to show life insurance at work in citing the block signal system on a railroad. A suburbanite 20 miles out found the train delayed and on making inquiry discovered a new engineer unwilling to go until he had green lights all through to the terminal. He said the terminal was the ultimate goal for life insurance but the owner goes from one green light to the next. He may see a red light ahead but by taking advantage of the green lights he is that much nearer his goal.

The speaker asserted an agent may be able to get a favorable decision from a prospect but not favorable action. Hence motivation must be brought into play. The close depends entirely on what has been done before. Keep in mind what steps have been taken up to that point. The prospect should have pointed out to him again very definitely the problem he desires to solve, the purpose he has in view.

"Some one always pays the life insurance premium," added Mr. Zimmerman. "It may be the head of the family but if not, then those left behind will be compelled to." Mr. Zimmerman asserted that sincerity and enthusiasm are two big factors in successful closing.

Irwin Offers Winning Sales Ideas in Cleveland Talk

Speaking before the Cleveland Life Underwriters Association, Hampton H. Irwin, educational director of Massachusetts Mutual Life, offered a dozen sales ideas, any one of which he said will sell a policy. Mr. Irwin gave his audience the benefit of his more than 20 years experience in the insurance field.

Holders of temporary coverage can often be converted to permanent insurance, he said, by asking them if their financial resources are so limited that they must penalize themselves the rest of their lives. If they don't change over, the salesman has lost nothing. If they do, his income is increased, and the client's protection is taken care of.

Widow, Not Wife, Is Concerned

When the prospect indicates that he wants to talk over the subject of life insurance with his wife before he takes out a policy, it is often wise to point out that the widow and not the wife is the one concerned. The wife and children (beneficiaries) will suffer most if he doesn't take out the policy.

Mr. Irwin pointed to the opportunities in contacting professional men. In the approach, he urged, make them see that when their hands shake they are through.

In another approach, he suggested

asking the doctor, dentist or accountant if they ever heard of a man in their field being pensioned by their customers. They will quickly realize that no pensions exist for them and that they must finance themselves.

Where only a limited amount of insurance is carried, it can readily be pointed out just how much more would be required to give the wife and children the same living conditions they are used to. The difference between present and necessary insurance will show what load they will have to carry themselves. With this before the prospect, the advantages of transferring the load to the insurance company can readily be shown.

Salesmen Invent Excuses

Mr. Irwin demonstrated how excuses can be invented by insurance salesmen. During his 20 or more years in the field, he said, there were depressions, real estate booms, stock booms, bank holidays, war and income taxes. Those who wanted to lie down on the job could always point to some disturbing factor. Yet during that time the Million Dollar Round Table grew, the C.L.U. movement started and flourished, underwriters associations grew, and more insurance went on the books.

The income tax offers a good ap-

proach. It can be pointed out that the prospect would pay the tax if it were twice as high. Then why not use the other half as an insurance investment, since it could be spared.

The gambling approach may well be used in selling temporary insurance. Ask prospects if they are willing to gamble the premium against the amount of the policy that they will be alive one or two months hence.

Prevent Sacrifice of Property

The government asks for estate taxes in cash; and often property is sacrificed to raise the amount. Insurance can prevent this. With taxes going up, a sufficient amount should be taken to cover the needs at the time of death and not at the present time.

Present insurance in force may be increased when it is pointed out that doctors, undertakers, hospitals, etc., are getting a part of the present policy. An extra amount can be taken to cover the bills.

Ask the manufacturer or other business man to consider insurance in exactly the same way he would consider a business proposition. Ask him to weigh the advantages if he doesn't take insurance and the advantages if he does take it. If he doesn't take it the wife may get a new fur coat or they may take a vacation. They may have more money in the bank, less obligation and more freedom in the budget. On the other hand if he takes out insurance there will be more income, more security, an educational fund for children, more retirement funds, higher loan income values, peace of mind, and an evidence of love for the family.

The meeting—first of the fall season—was well attended. An "On to Cincinnati" rally was staged under direction of the Supervisors Group. A special car has been chartered, leaving Cleveland at noon, Sept. 16, for Cincinnati.

President C. E. Pejeau named a local committee to cooperate in the National association's drive to sell savings bonds and stamps, with F. L. MacFarlane, Aetna Life, as chairman.

Lawrence Priddy, Jr., Joins Life Insurance Institute

Lawrence Priddy, Jr., son of Lawrence Priddy, New York Life, a former president of the National Association of Life Underwriters, has joined the staff of the Institute of Life Insurance in New York.

Mr. Priddy graduated from Princeton University in 1931. He studied law for three years at Harvard and New York University.

Since graduation, Mr. Priddy has been a member of the staff of the New York public relations firm of John Price Jones and public relations director of the New York Boys Club. He worked for some time in the home office of New York Life and after graduating from the life insurance course at New York University, sold life insurance in New York and New Jersey.

R. Wilfred Kelsey has been appointed manager of the department of information of the Institute. He has been with the Institute for the past year. He went there from the Loder agency of Provident Mutual Life in Philadelphia where he spent seven years as an agent and also assisting in developing client programs. After graduating from Haverford College, he took graduate work in life insurance at the business school of the University of Pennsylvania.

War Clauses Submitted

While but few companies are actually attaching war clauses to policies, many have submitted them to state insurance departments for approval or suggested changes so they can be ready at any time. If the country gets actually into war, then such clauses will be employed.

COAST

Benjamin Franklin Case Settled

LOS ANGELES—All litigation over the Benjamin Franklin Life of Santa Barbara, the largest of the Chapter 9 companies seized by Commissioner Caminetti last year, was ended when Superior Court Judge Schmidt approved terms of a settlement agreed upon by Commissioner Caminetti as conservator, and the old officers of the company.

The conservator will pay to the Sunset Corporation, formerly the Benjamin Franklin Life Underwriters, the company's general agents, a sum to retire \$53,000 in certificates of indebtedness; \$4,000 interest on the principal sum of \$79,000 of certificates at the rate of 5 percent from June 28, 1940. The Sunset Corporation will pay to the conservator \$15,000 on the principal of a \$60,000 note secured by a trust deed on the Hoover Hotel, and will give him a new note for \$45,000 bearing 4 percent interest secured by a trust deed on the hotel. The corporation will repay to the conservator \$2,978 taxes on the hotel he has paid and \$382 on insurance, return \$2,900 interest on the above note, pay all its attorney fees and return to the conservator \$1,000 held in trust by Attorney C. R. Thompson. The corporation will also surrender \$2,500 in certificates of indebtedness without any payment therefor. There will be mutual releases from all claims and the corporation will dismiss all litigation now pending.

The order also provides that all the old officers and directors will resign and that a new board shall be elected, all of whom are employees of or affiliated with the division of insurance. These new directors will be: Richard Becker, T. E. Stealey, T. W. Norton, M. L. Barker and W. P. Wood.

The signing of this order places Commissioner Caminetti in full possession of the company and gives him the nucleus on which he can rehabilitate the Chapter 9 companies.

Great States Life Case

Judge Schmidt has issued an order against Commissioner Caminetti to show cause why he should not be held to be in contempt of court, the order being returnable Sept. 15. The order is made as a part of a friendly suit in the case of the Great States Life, brought by John W. Sherman, head of the United Agency, general agents, to secure payment of \$851 claimed due as commissions. Commissioner Caminetti, as conservator, has the funds on hand to pay the amount, but seeks court authority on the question to whom they should be paid. L. B. Patrick of Nevada has also entered a claim for 90 percent of the amount, on the ground of a proprietary interest in the United Agency.

The California supreme court dismissed the appeal of the Master Life from the order naming Commissioner Caminetti as conservator.

GOLDEN STATE SETUP

Golden State Mutual Life has mailed to holders of Series A and B certificates of advancement checks for the semi-annual interest on the certificates at the rate of 5 percent per annum. With these checks the company has paid a total of \$32,829 in interest.

The sale of the Series B certificates, which was authorized by Commissioner Caminetti last year, is almost completed. The amount realized from both series will be used to complete the company's capital structure and will enable it to apply for conversion into an old line legal reserve company.

The Golden State is one of the three Chapter 9 companies that was given a clean slate by Judge Caminetti when

he started his original action against this type of companies.

Seek 300 Volunteers in Defense Bond Campaign

SAN FRANCISCO—More than 300 volunteers will be needed to cover the assignments expected by the San Francisco life insurance fraternity in the campaign to install the salary savings buying plan for the distribution of national defense savings bonds, according to Nels J. Nelson, Reliance Life, chairman of the special committee of the San Francisco Life Underwriters Association.

All life men in San Francisco were invited to a luncheon Sept. 11 to hear the plan explained. At this meeting the call for volunteers was made by Mr. Nelson, who is assisted by F. J. Van Stralen, Massachusetts Mutual, vice-chairman.

At a meeting called by Donald A. Hampton, Provident Mutual, president General Agents & Managers Association, the plans were outlined by H. K. Cassidy, Pacific Mutual, Pacific Coast regional chairman; Mr. Hampton, Mr. Nelson, Mr. Van Stralen and G. F. McKenna, president San Francisco Life Underwriters Association, who is co-chairman for the north central section. They will work with Kellogg Van Winkle, Equitable Society, Los Angeles, who is state chairman, with George H. Page, California-Western States Life, and Harold Saul as area co-chairmen for that section.

Life Course in N. M. University

ALBUQUERQUE, N. M.—A free course in the principles and practices of life insurance has been announced at the University of New Mexico here. Both students and public were invited to attend the lectures. The class will be taught by George B. Byrnes, Equitable Society, and Timothy B. Ingwerson, Northwestern Mutual, president New Mexico Life Underwriters Association.

Program Set for Home Office Underwriters Meet

(CONTINUED FROM PAGE 3)

membership, reading list, education, and underwriting forms.

Dr. Roland P. Mackay, associate professor of neurology at the University of Illinois, will discuss "The Neurotic Factor in Applicants for Life Insurance." Dr. Harry W. Dingman, Continental Assurance, will introduce Dr. Mackay.

Clinic and Round Table

The clinic on ordinary cases and round table on industrial topics are scheduled for Thursday afternoon. David B. Alport, Business Men's Assurance, is chairman of the clinic. A portfolio of selected cases has already been furnished members for advance study. William E. Stovall, Gulf Life,

is chairman of the industrial round table.

At the Friday morning session, of which W. Edgar Jones, Provident Life & Accident, is chairman, W. H. Dallas, Aetna Life, will discuss "Practical Benefits Derived from an Underwriting Organization;" Dr. A. S. Irving, American National, "Some Phases of Industrial Selection," and I. R. Perry, Shenandoah Life, "Underwriting Drafts and Volunteers." In addition there will be a report of the committee on war risks. At the Friday afternoon session the ordinary case clinic will be continued under Chairman Richard F. Veazey, Indianapolis Life, and the industrial clinic under Chairman Theodore L. Montague, Interstate Life & Accident.

Saturday's Session

The convention will wind up with a Saturday morning session with George M. Stanley, Guarantee Mutual Life, in the chair. After an informal discussion of current topics, C. L. O'Brien, Minnesota Mutual, will discuss "Family Group Business and the New Underwriting Problems Presented by This Plan," and M. S. Niehaus, Gulf Life, "The Field Man's Viewpoint as Considered in Home Office Selection." Carl M. Young, Farmers & Bankers Life, will treat "Reinstatement Procedure Where Health, Occupational or Moral Changes Have Developed Since Original Acceptance, or Where the Potential War Hazard Is Not Present;" Earl R. Monson, "Home Office Routine and Handling of an Application from Its Receipts Until Final Disposition;" Walter O. Menge, Lincoln National Life, "Results of the 1939 Blood Pressure Study," and Carl W. Huber, Bankers' National Life, "Brokerage Business."

The annual banquet, which is informal, will be held Friday evening. On Thursday the ladies will have a group luncheon followed by a trip to the Merchandise Mart to hear a National Broadcasting Co. radio program.

The expectation is that attendance at the meeting of the Institute of Home Office Underwriters will be about 125. At present there is an actual company membership of 92.

Old Racket Crops Up

KANSAS CITY—An old and much used "racket" cropped up here recently. A man called at the home of a woman and asked for her husband. When she told him that her husband had died a short time ago, the man acted surprised and said that the husband had \$5,000 insurance coming. In order to collect the money a birth certificate was necessary; cost, 50 cents.

When he returned with papers to be signed, he collected \$9 for services. He told her that she would receive a registered letter from the insurance company within a few days. She has not heard from the insurance company or the man since, she reports to the Better Business Bureau.

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LIFE INSURANCE COURT DECISIONS

Some Recent Cases Involving Total and Permanent Disability

There were three recent decisions concerning total and permanent disability. One came before the St. Louis court of appeals in *Tripp vs. Metropolitan Life*. The plaintiff worked for a lead company and was insured under a group policy. He was discharged because of a reduction of the working force in June, 1930, but the policy remained in force until July 17, 1930. The policy as a whole was canceled March 31, 1932. Medical testimony was introduced by the plaintiff to show that the insured had started to cough badly prior to his discharge and that he had been treated by doctors both prior and subsequent thereto. However, this testimony does not establish that he had pulmonary tuberculosis at a time prior thereto. The company's evidence disclosed that the insured continued to work for a number of years for other persons and at full time employment. The disability benefits which the plaintiff seeks to recover were to be paid in the event of the total and permanent disability of the insured during a time when the policy was in force. The higher court holds that the evidence does not show permanent and total disability during the effectiveness of the policy and that judgment should be for the company.

The Kansas supreme court affirms the lower decision in *Fricke vs. Mutual Life of New York*. The plaintiff sought to recover disability benefits. He had furnished proof of his claimed disability and payments had been commenced by the company, but when further proof of continued disability was furnished in compliance with the company's request,

it was found to be insufficient to warrant the continuance of payments and the company so notified the plaintiff. The jury found that although the plaintiff was not able to do manual labor, he was managing more than one farm, marketing produce raised and receiving the money therefrom. The higher court held that the burden of proving his total and permanent disability was upon the plaintiff and that the jury's verdict in favor of the defendant was sustained by substantial evidence.

Tennessee court of appeals had before it *Pickett vs. Journeymen Barbers International Union*. Its constitution limited the disability payments which could be paid to 10 weekly payments in any one year, and prohibited benefits for a disability extending beyond three years. The plaintiff had notified the fraternal of his total and permanent disability and received the benefits payable for his first year of disability. When he attempted to pay his dues at the beginning of the following year, he was unable to locate the local treasurer for four days and the defendant contends that he thereby became in default and that his disability for that year under the terms of the contract began on the second day when he consulted a physician. However, the disability having already existed in the previous year, this claim cannot be sustained. Since the absence of the local treasurer for four days was no fault of the insured's the default could not be charged against him, the higher court holds. The lower court's judgment for the plaintiff is therefore affirmed.

issue of accidental death, but the court ruled to the contrary. The insured was found in his yard early one morning with his shotgun near his body. Death was caused by the inflicting of a gunshot wound, which the coroner's jury found to have been self-inflicted. The company also objected to demonstrations before the jury to show that the insured could not have taken his own life. However, there was no showing of abuse of discretion by the trial judge in allowing such demonstrations. The trial judge properly excluded the verdict of the coroner's jury and the death certificate, the plea of suicide having been withdrawn and there being no allegations to support such proof, the higher court contended. The charges with respect to the burden of proof and presumption against suicide were free from reversible error, the higher court decided.

ANOTHER SUICIDE CASE

Another case was *Bertschinger vs. New York Life* where the Oregon supreme court affirmed the lower court decision. The company denied liability for the double indemnity benefit, claiming that death which resulted from drowning was suicidal. The company introduced evidence to show that the insured had been convicted for practicing medicine without a license, his conviction having been based on evidence showing that he had performed an abortion. It also showed that he had performed a subsequent abortion which resulted in the death of the girl and that he knew the case had been reported. It was shortly after that he left on the fishing trip on which he met his death. Plaintiff contended that the insured took this trip for the purpose of fishing and in an attempt to raise funds from other doctors for the purpose of an appeal from his conviction. The issue as to whether death was accidental or suicidal was for the jury and its verdict was in favor of the plaintiff. The defendant objected to the charge of the court to the jury on the issue of accidental cause and result, but under the facts the only issue to be determined was whether the drowning was intentional or unintentional the higher court said. Death from drowning is considered accidental, it contended. The jury was properly instructed as to the plaintiff's burden of proof and judgment, therefore, in favor of the plaintiff was affirmed.

Question Arose as to the Condition of Applicant

Sometimes cases are tried where delivery of the policy was made while the assured was ill. The Pennsylvania superior court affirms the lower court in *Watson vs. Metropolitan Life*. Following the assured's application for a policy wherein he represented that he had not been ill or treated by a physician within the preceding five years, the policy was issued Sept. 3, 1936. The agent attempted to deliver on the 7th, 14th and 21st of September, but the insured did not have the money to pay the first premium.

On Sept. 28, the insured's wife, the beneficiary, went with the agent to her bank where she drew out enough money to pay the premium and the policy was delivered to her. On the preceding day the insured had taken ill with a cold and a doctor had been called. The beneficiary told the agent when the policy was delivered that her husband had a bad cold and was being treated by a doctor. It developed that the insured had bronchial asthma and broncho pneumonia which caused his death Sept. 29. In the action the company contended that the doctrine of continuing representation should be applied so that representations made by the applicant should be considered as being made up to the time of delivery of the policy. The company appealed from the denial of its motion for judgment

Right of Reinstatement in U. S. Circuit of Appeals

An interesting case came up in *Bowie vs. Bankers Life of Iowa* before the United States circuit court of appeals for the 10th circuit, the tribunal holding that an insurance company could not act arbitrarily with respect to an application for reinstatement and that if satisfactory evidence of insurability is furnished by an insured the company is bound to reinstate the policy in compliance with its terms. Such reinstatement, the court holds, dates back to the date of the application.

After the lapse of a policy for non-payment of premium the holder applied for reinstatement tendering the delinquent payment and furnishing a certificate from his attending physician as requested respecting a recent illness. A few days thereafter the company wrote to the holder requesting that he submit to a further medical examination by a designated physician. However, prior to the receipt of the letter the insured was accidentally killed in an automobile collision. The beneficiary brought an action to recover the ordinary death benefit and also the accidental death benefit. The court remanded the case on the former hearing and on trial there was a judgment for the beneficiary from which the company appealed.

Position of Bankers Life

Bankers Life objects to the court's rejection of a report obtained by it from a credit company, contending that such report justified its request for additional proof of insurability. This report contained information relative to the insured's marital difficulties and stated that he daily used intoxicating liquors but not to such an extent as to interfere with his duties as a practicing attorney. However, it is not shown that the company requested additional information with respect to these two matters which it would have had a right to do, the court said. There was nothing in this report that indicated that the insured's state of health was other than as represented to the company in the application for reinstatement. The two matters disclosed by the report were immaterial to the issues in the case, the higher court holds, and the admittance of the report would have availed the company nothing.

The higher court concludes that the company was obligated to reinstate the policy and that since the reinstatement dates back to the date of application the beneficiary is entitled to recover the double indemnity provided for accidental death.

Insured Declared Insane

The Oregon supreme court reverses the decision of the lower tribunal in the case of *James vs. Oregon Mutual Life*. At the time the assured, J. H. Fahey, was declared insane, his wife, who was the named beneficiary, sought to claim the proceeds of the policy and the administrator of the insured's estate also made a claim. Subsequently the guardian appointed for the insured applied to the company for the cash surrender of the policy, the company having denied the guardian's request for a change of beneficiary. The request for cancellation was also denied. Subsequent to the insanity of an insured neither guardian nor court has any power to direct change of beneficiary.

ment after the jury returned a verdict in favor of the plaintiff. The court awarded a new trial and the company is entitled to nothing more, the higher court said. There is no evidence to indicate fraud on part of the insured or his wife, the higher court held, the agent who receipted for the first premium having been told that the insured was ill.

Incontestable Clause Bobs Up Often in Cases Involving Life Insurance

The incontestable clause bobs up frequently in much life insurance litigation. The California district court of appeals, fourth district, affirms the lower court decision in *Braun vs. New York Life*. Under the policy, disability benefits were paid to plaintiff for over eight years and then discontinued. The insured sought a declaratory judgment as to the company's liability to continue payments and the company sought to cancel the disability provisions on the ground that the insured had misrepresented certain facts as to prior illnesses and medical treatment in his application.

The policy contained a two-year incontestability clause which excepted provisions and conditions relating to disability and double indemnity. The issue presented was whether or not this clause precluded the company's claimed right to cancel the disability benefit provisions. The New York Life contended that the New York law which does not bar cancellation under such circumstances applies since the policy was to be performed there. However, the plaintiff has been a resident of California for a number of years and most of the disability payments were made to him in that state. Under the California decisions discussed by the court, it held that the incontestability clause is a bar to the company's claim of fraud and misrepresentation and the judgment entered by the lower court in favor of the assured is affirmed.

After the plaintiff had rested, the company attempted to introduce evidence to prove the fraud alleged in its cross-complaint. An objection was sustained in the evidence on the ground that the company was barred from asserting fraud after the lapse of two years from

the date of the policy under the incontestability clause it contained. The correctness of this ruling is the sole question, the higher court considered.

Three Accident Decisions in the Higher Courts

There have been three accident decisions recently of interest.

The first was *Sevier vs. United Commercial Travelers* in which the U. S. circuit court of appeals, 8th circuit, affirmed the lower court decision. The insured while driving his automobile and in an attempt to avoid striking a boy on a bicycle, swerved his car to the left and struck a concrete drain and overturned. He later complained of a pain in his abdomen and was operated on. A mass had formed in the intestines, which when separated revealed a hole in the colon. Through this hole, material had been liberated causing peritonitis and resulting in death. The policy under which the beneficiary sought to recover the death benefit provided that the company would not be liable for death caused by infection except where the infection was introduced through an open wound visible to the unaided eye and caused by external, violent and accidental means. Since the policy did not require that the open wound be on the exterior of the body, the court affirmed the judgment entered by the lower court on findings that the death of the insured was within the coverage of the policy.

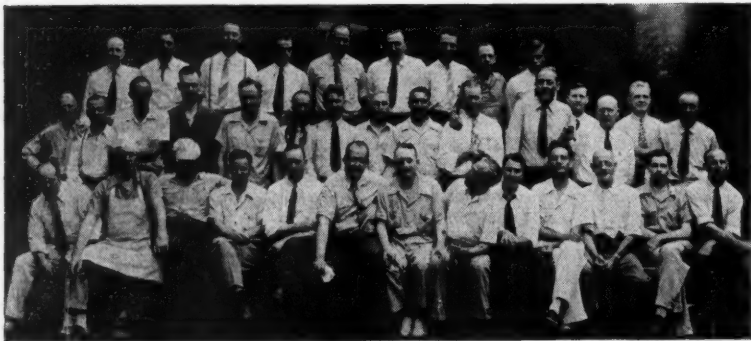
ISSUE OVER SUICIDE

The next case was *Bell et al. vs. Mutual Life of New York*, where the Florida supreme court, Division A, affirmed the decision of the lower court. The company appealed from a judgment in favor of the plaintiff in her action to recover the double indemnity benefits. The company contended that the case was insufficient to go to the jury on the

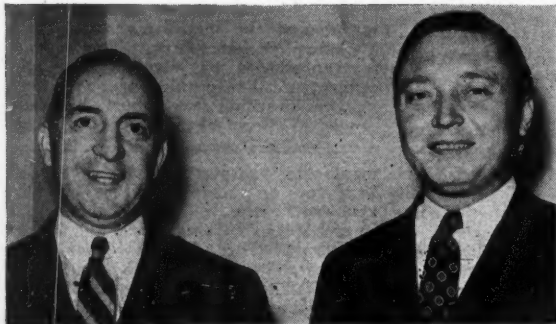


A brilliant young tennis star only 16 years of age who has taken more than a dozen southwestern championship trophies and medals in the past two years may well take a place in time among the great tennis stars of the nation. She is Miss Helene McCarter of Galveston, Tex. Her rise to tennis fame in the southwest has been under the sponsorship of American National.

The promotion and encouragement of sports activities among employees and members of their families has long been an important part of the American National personnel program. Miss McCarter, daughter of G. S. McCarter, the company's superintendent of ordinary agencies, showed a brilliant talent for tennis in her first high school year and her playing has been sponsored by American National for the past two years. She won an invitation to play in the national tournament at Long Island this month.



The Asheville, N. C., Association of Life Underwriters held a steak supper. In the first row starting with the sixth person to the right are E. Z. Stines, Jefferson Standard, vice-president; Reuben J. Johnson, Durham Life, president; G. D. Sherrill, Minnesota Mutual, secretary; M. N. Coleman, Metropolitan Life, executive chairman, and K. W. Partin, Reliance Life, immediate past president.



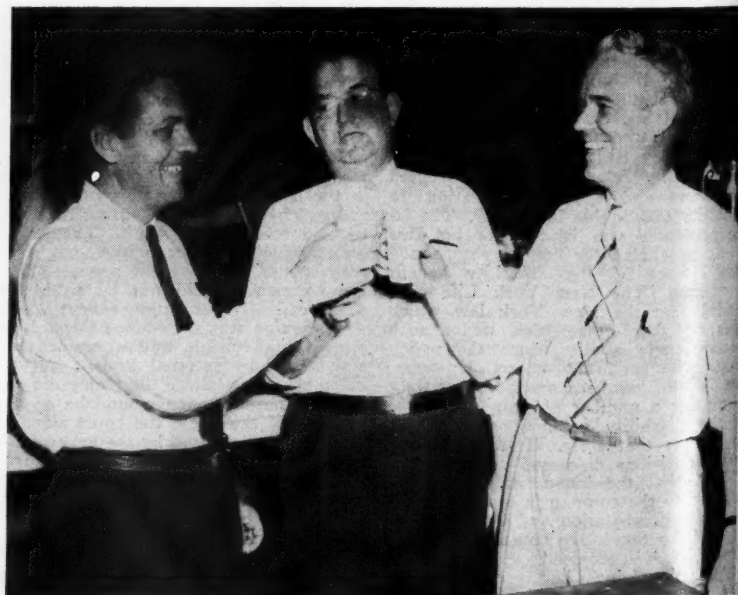
Jordan Gauthier (left), recently appointed manager of eastern Pennsylvania department of Reliance Life and Harold L. Beckley, new associate manager.



Qualifying members and guests of the Robert R. Reno agency, Equitable Society, Chicago, attended a four day educational conference at Holland, Mich. Vice-president Vance L. Bushnell, representing the home office, discussed property values under changing conditions. He emphasized the superiority of life insurance in meeting these conditions. Jack L. Beesley, Chicago cashier, and Homer L. Rogers, Indianapolis manager, also spoke.



Franklin F. Pierce, supervisor Connecticut Mutual (left), and Harold Smyth, general agent National Life of Vermont (right), of the Hartford Life Underwriters Association, present books dealing with life insurance from the buyer's point of view to the Hartford Public Library. The books were donated by the Hartford association. Mr. Smyth, newly elected president, was chairman of the committee, and Mr. Pierce, during whose administration the play was worked out, is immediate past president. The association plans to keep the collection up-to-date and extend its program to libraries in surrounding towns.



At the annual picnic of the Birmingham Association of Life Underwriters: Clicking their lemonade cups together are: W. W. Lonsford, Commonwealth Life, president; T. J. Huey, Prudential, picnic chairman, and J. Orlando Ogle, General American Life, former president.